

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

The Peoples Gas Light and Coke Company)
)
)
Informational statement pursuant to)
Section 6-102(d) of the Public Utilities) Docket No. 13-0120
Act in connection with the proposed)
issuance and sale of up to \$~~180~~120 million)
aggregate principal amount of bonds or)
notes, or a combination thereof, in one)
or more series)

REVISED INFORMATIONAL STATEMENT

1 The Peoples Gas Light and Coke Company (“Peoples Gas”) files this Revised
2 Informational Statement pursuant to Section 6-102(d) of the Public Utilities Act¹ (the
3 “Act”) in connection with its proposed issuance of up to \$~~180,000,000~~120,000,000 in
4 aggregate principal amount of bonds or notes, or a combination thereof, in one or more
5 series. Peoples Gas respectfully requests that the Illinois Commerce Commission
6 (“Commission”) issue an Order, pursuant to Section 6-102(d) of the Act, finding that
7 Peoples Gas’ proposed issuance is not subject to Section 6-102(b) of the Act² and
8 authorizing the proposed issuance. In support of this Revised Informational Statement,
9 Peoples Gas states as follows:
10 1. Peoples Gas is a corporation organized and existing under the laws of the State of
11 Illinois, having its principal offices at 130 East Randolph Street, Chicago, Illinois. It is

¹ 220 ILCS 5/6-102(d)

² 220 ILCS 5/6-102(b)

12 engaged in the business of purchasing and storing gas for and transporting, selling and
13 distributing gas to approximately 829,000 residential, commercial and industrial
14 customers. Peoples Gas' service territory covers the City of Chicago, Illinois. Peoples
15 Gas is a "public utility" within the meaning of the Act.

16 2. Peoples Gas is revising its Informational Statement: (a) to reduce the total amount
17 of the proposed issuance from \$180,000,000 to \$120,000,000; and (b) to eliminate the
18 requested issuance for the purpose of capital expenditures and other general corporate
19 utility purposes. Peoples Gas proposes no changes to the amount of the issuance for the
20 purpose of refinancing previously authorized debt.

21 3. ~~2.~~ Peoples Gas plans to issue up to ~~\$180,000,000~~ 120,000,000 in aggregate
22 principal amount of bonds or notes, or a combination thereof, in one or more series and in
23 one or more transactions. The proceeds will be used: a) to refinance Peoples Gas'
24 currently outstanding \$75,000,000 4.625% Series NN First Mortgage Bonds ("Series
25 NN"), which mature on May 1, 2013, and b) to refinance Peoples Gas' currently
26 outstanding \$45,000,000 7.00% Series SS First Mortgage Bonds ("Series SS"), which
27 mature on November 1, ~~2013, and c) to provide \$60,000,000 in funds for capital~~
28 ~~expenditures and for other general corporate utility purposes.~~ 2013. Peoples Gas does
29 not plan on using the proceeds from the new debt to pay issuance costs or redemption
30 costs on Series NN and Series SS. Peoples Gas may issue the debt through a private
31 placement, an underwritten offering, an agency sale, or a bank loan. If Peoples Gas
32 determines to issue and sell any of the debt in an underwritten offering, then Peoples Gas
33 plans to do so in a competitive manner to one or more investment banks. If Peoples Gas

34 accepts an underwriting proposal for the debt, it intends to accept the proposal that
35 provides it the lowest annual cost of money.

36 4. ~~3.~~ The interest rate will be determined at the time of the offering or periodically
37 during the term of the debt. Peoples Gas expects that the interest rate will be in the 4% to
38 6% range. However, due to capital market fluctuations, the terms of the debt, including
39 the maturity, price, rate or method of calculation of interest and dates for payment thereof,
40 and any redemption, prepayment or sinking fund provisions, will be determined at the
41 time of the offering.

42 5. ~~4. The entire proposed issuance of \$120,000,000 of the proposed \$180,000,000~~
43 ~~transaction discussed herein~~ constitutes refinancing of the previously authorized debt
44 (\$75,000,000 Series NN and \$45,000,000 Series SS). Therefore, Section 6-102(b) does
45 not apply to that portion of the proposed transaction because it satisfies the subsection
46 (3) test.

47 6. ~~5.~~ Pursuant to Section 6-108³, subsection (2) of the Act, Peoples Gas does not
48 need to pay a fee ~~for~~ with respect to the \$120,000,000 ~~portion of the new debt described in~~
49 ~~Paragraph 4 since it has already paid the Commission its fees for the Series NN and~~
50 ~~Series SS bonds~~ of indebtedness since the proceeds will be used for refinancing existing
51 long-term indebtedness previously authorized by the Commission.

~~62 Section 6-102(b) does not apply to the remaining \$60,000,000 of the \$180,000,000~~
53 ~~proposed transaction because that portion satisfies the subsection (2) test. Peoples Gas'~~
54 ~~total outstanding debt (including long- and short-term debt) at December 31, 2012, was~~
55 ~~\$803.6 million. In the calendar year ending December 31, 2012, Peoples Gas issued~~

³ 220 ILCS 5/6-108

56 ~~\$100 million of long-term debt. The proceeds from the issuance were used to refund~~
57 ~~existing indebtedness. Peoples Gas did not issue long-term debt for purposes other than~~
58 ~~refinancing or refunding existing indebtedness in the calendar year ending December 31,~~
59 ~~2012. Peoples Gas' total debt (long- and short-term debt) balances at December 31,~~
60 ~~2012, at December 31, 2011, and at December 31, 2010, were \$803.6 million, \$562.0~~
61 ~~million, and \$526.0 million, respectively. In the 24 months ending December 31, 2012,~~
62 ~~debt balances ranged from \$475.0 million to \$803.6 million. In the 24 months ending~~
63 ~~December 31, 2012, Peoples Gas issued \$150 million of long-term debt. The entire~~
64 ~~proceeds, i.e., \$150 million, were used to refinance or refund existing indebtedness. In~~
65 ~~those 24 months, no long-term debt was issued for purposes other than refinancing or~~
66 ~~refunding existing indebtedness. Therefore, the \$60,000,000 portion of the proposed~~
67 ~~transaction represents less than 10% in the calendar year total outstanding debt and less~~
68 ~~than 20% of Peoples Gas' total outstanding debt for the preceding twenty-four months~~
69 ~~(exclusive of debt incurred for purposes other than refunding, redeeming or retiring~~
70 ~~existing indebtedness). Consequently, the \$60,000,000 portion of the proposed~~
71 ~~transaction is not subject to Section 6-102(b) of the Act, and the proposed issuance is~~
72 ~~properly regulated under Section 6-102(d).~~

~~73 Section 6-108 of the Act would apply to the \$60,000,000 portion of the issuance~~
74 ~~described in Paragraph 6. The fee due under Section 6-108 of the Act would equal~~
75 ~~\$144,000 (24¢ for every \$100 dollars of the principal amount of bonds, notes or other~~
76 ~~evidence of indebtedness authorized by the Commission). Pursuant to Section 6-108,~~
77 ~~Peoples Gas will pay such fee to the Commission no later than thirty days after service of~~
78 ~~the order approving the issuance.~~

79 7. ~~8.~~ Peoples Gas requests that the Commission provide, pursuant to Section 6-101
80 of the Act⁴, a single serial number for the issuance.

81 8. ~~9.~~ Peoples Gas requests that the Commission issue an order on or before March 6,
82 2013.

⁴ 220 ILCS 5/6-101

83

84 WHEREFORE, The Peoples Gas Light and Coke Company respectfully requests
85 that the Commission issue an Order, pursuant to Section 6-102(d) of the Act, authorizing
86 the proposed financing transaction discussed herein.

Respectfully submitted,
The Peoples Gas Light and Coke Company

By: _____
William J. Guc
Treasurer

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Mary Klyasheff
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Attorneys for
The Peoples Gas Light and Coke Company

Dated at Chicago, Illinois
this ____ day of February, 2013

STATE OF WISCONSIN)
)
COUNTY OF BROWN) SS

William J. Guc, being first duly sworn, upon oath states that he is Treasurer of The Peoples Gas Light and Coke Company; that he has read the foregoing [Revised](#) Informational Statement by him subscribed and knows the contents thereof, and that said contents are true to the best of his knowledge and belief.

By: _____
William J. Guc
Treasurer

Subscribed and sworn to
before me this ____ day
of February, 2013

Notary Public

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