



September 27, 2012

Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
P.O. Box 45585
Salt Lake City, UT 84145-0585

Re: Application to Amend Certificated Service Area

Dear Commissioners:

Garkane Energy Cooperative, Inc. hereby makes application to the Utah Public Service Commission for a Proposed Boundary Change/Addition to our Certificated Area.

This change is necessary to serve the Zion View Estates Subdivision in Kane County on Cedar Mountain.

The area is presently in a no-man's land, as far as service area goes. Garkane's facilities are much closer to the proposed service area than Rocky Mountain Power's facilities.

We have discussed this change with Rocky Mountain Power, and they have no objection. (See their attached letter)

We also have reviewed this with the Kane County Commission, and they support Garkane's application. (See letter attached)

Garkane's present Certificate of Convenience & Necessity will need to be amended to serve this area. (Note: It was granted on April 29, 1976.)

Garkane also has a current County Franchise from Kane County dated September 11, 1989.

Enclosed is a map indicating the present Garkane service area with the proposed boundary change for the addition, including a legal description.

Utah Public Service Commission, cont.

September 27, 2012

Page 2

Should you have any questions or need additional information, please contact us.

Thank you.

Respectfully,

GARKANE ENERGY COOPERATIVE, INC.



Carl R. Albrecht
CEO

se

Enclosures: Rocky Mountain Power Letter
Kane County Letter
Map



ROBERT C. LIVELY
Manager, Service Area Issues
801-220-4052
801-220-3299 (fax)
BOB.LIVELY@PACIFICORP.COM

One Utah Center, 201 South Main, Suite 2300

Salt Lake City, Utah 84111

September 26, 2012

VIA EMAIL

Carl Albrecht, CEO
Garkane Energy Cooperative, Inc.
120 West 300 South
PO Box 465
Loa, UT 84747

*Re: Garkane Energy Cooperative, Inc
Application to Amend Certificated Service Area
Exhibit No. _____
Docket No. _____*

Dear Mr. Albrecht;

Pursuant to your request, Rocky Mountain Power hereby asserts that it has no objection to the modification to the current Certificate of Public Convenience and Necessity for Garkane Energy Cooperative, Inc., as granted by the Utah Public Service Commission on in its order dated April 29, 1976 to include the area highlighted in light-green and identified in the attached map (Attachment 1) and as described in the attached legal description (Attachment 2) of the Garkane Energy service area.

Sincerely,

Robert C. Lively
Manager, Service Area Issues
Rocky Mountain Power

CC: Mark C. Moench, Rocky Mountain Power

Rocky Mountain Power & Garkane Service Territories

Legend



County Boundary
State Boundary
Township/Range

Unallocated Service Territory
Rocky Mountain Power Service Territory
Garkane Service Territory
Proposed Modification to Garkane Service Territory

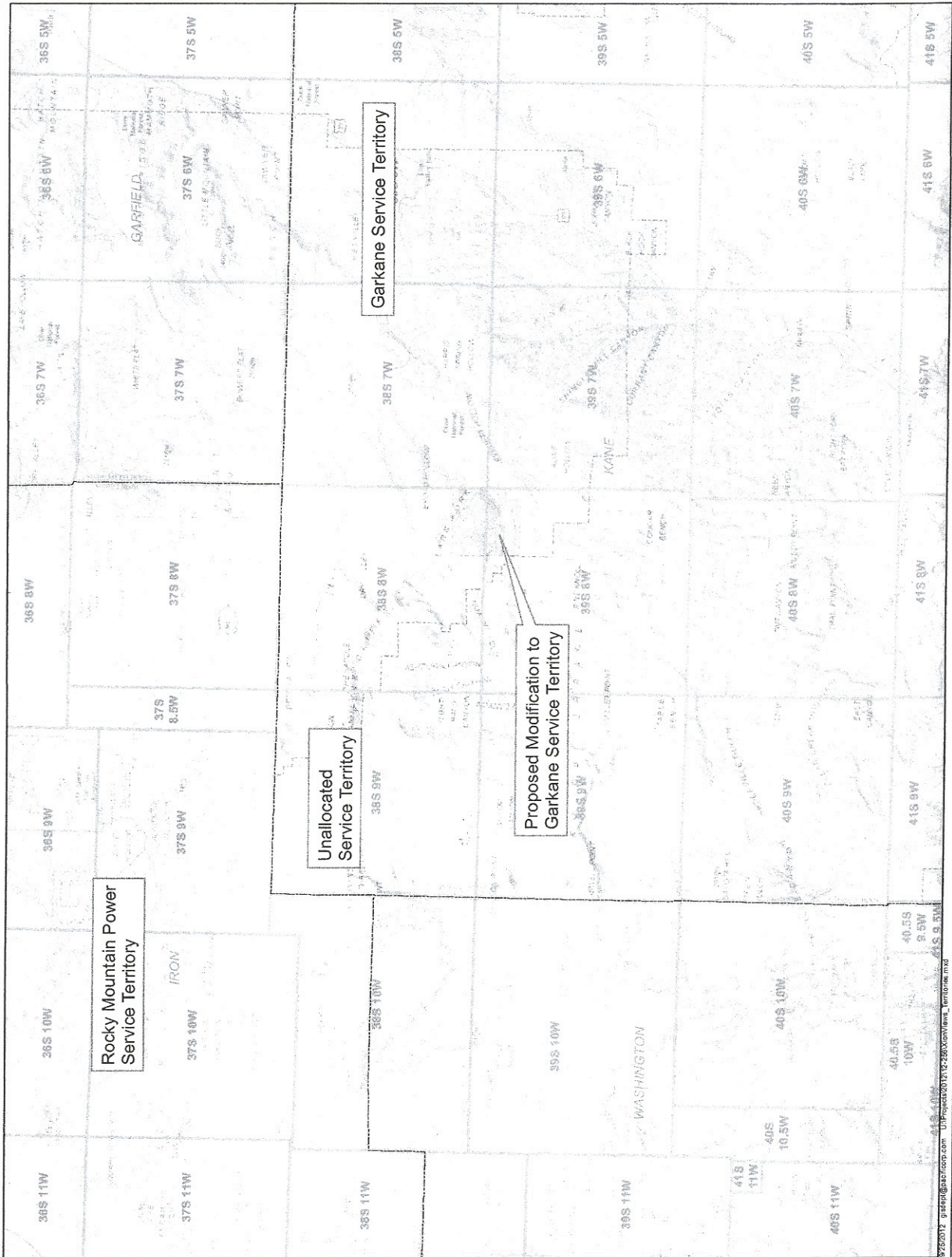


Miles
0 0.5 1 2 3 4



GIS Support Services
Solutions Group
gis@pacifiCorp.com

Data is projected in UTM Zone 12, NAD83, meters.
No Warranty. With respect to any information, including but not limited to the Confidential Information, which a Party furnishes or otherwise discloses to another Party for the use of the Disclosing Party, the Disclosing Party does not make any representations or warranties as to the accuracy, completeness or fitness for a particular purpose of such information. The Disclosing Party shall not be held responsible for any errors or omissions, or for any consequences arising from the use of any information so furnished or otherwise provided pursuant to this Agreement.

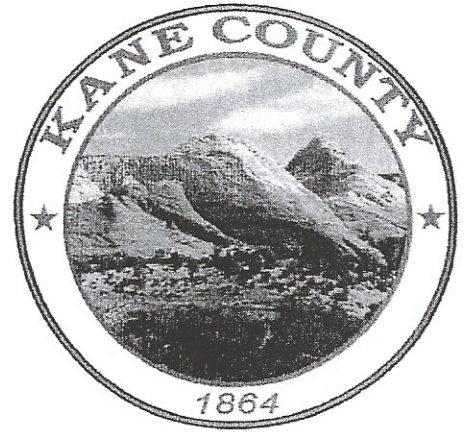


GARKANE ENERGY ASSOCIATION, INC.
LEGAL DESCRIPTION OF SERVICE AREA

NOW, THEREFORE, IT IS HEREBY ORDERED, That Certificate of Public convenience and necessity No. 1664 be, and the same hereby is amended authorizing applicant herein to supply electric service within the service area described in its application, to wit:

Beginning at a point where the Colorado River intersects the Utah-Arizona Boarder; thence West along said Boarder to the South East corner of T44S, R6W, S.L.B.M.; thence North to the North East corner of Sec. 13, T43S, R6W, S.L.B.M.; thence West to the point where the Kanab Creek crosses the East-West line between Sec. 8 and 17, T43S, R6W, S.L.B.M.; thence South along the course of the Kanab Creek to the point where Kanab Creek crosses the Utah-Arizona Boarder; thence West along said Boarder to the Southeast corner of T43S, R11W, S.L.B.M.; thence North to the Northeast corner of T43S, R11W, S.L.B.M.; thence East to the West Boundary line of Kane County; thence North to the North West corner of T40S, R9W, S.L.B.M.; thence East to the Southeast corner T39S, R8W, S.L.B.M.; thence North to the Southeast corner of Sec. 1, T39S R8W, S.L.B.M.; thence West to the Southwest corner of Sec. 2, T39S R8W, S.L.B.M.; thence North to the Northwest corner of Sec. 2, T39S R8W, S.L.B.M.; thence West to the Southwest corner of Sec. 35, T38S R8W, S.L.B.M.; thence North to the Northwest corner of Sec. 35, T38S R8W, S.L.B.M.; thence East to the Northeast corner of Sec. 35, T38S R8W, S.L.B.M.; thence East to the Northeast corner of Sec. 36, T38S R8W, S.L.B.M.; thence North to the Northeast corner of T38S, R8W, S.L.B.M.; thence West to the Southwest corner of Sec. 36, T37S, R8W, S.L.B.M.; thence North to the Northwest corner of Sec. 24, T36S, R8W, S.L.B.M.; thence East to the Southeast corner of Sec. 16, T36S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T36S, R6W, S.L.B.M.; thence East to the Southeast corner of T35S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 19, T35S, R5W, S.L.B.M.; thence East to the Southeast corner of Sec. 16, T35S, R5W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T35S, R5W, S.L.B.M.; thence East to the West Fork of the Sevier River; thence North Westerly along said River to the point, of intersection with the South line of Sec. 16, T34S, R5W, S.L.B.M.; thence West to the Southwest corner of Sec. 18, T34S, R5W, S.L.B.M.; thence North to the Northwest corner of T34S, R5W, S.L.B.M.; thence West to the Southwest corner of Sec. 35, T33S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 2, T33S, R6W, S.L.B.M.; thence East to the Southeast corner of T32S, R6W, S.L.B.M.; thence North to the Southeast corner of Sec. 24, T32S, R6W, S.L.B.M.; thence West to the Southwest corner. of Sec. 24, T32S, R6W, S.L.B.M.; thence North to the 1/4 corner between Sec. 13 and 14, T32S, R6W, S.L.B.M.; thence East through the center of Sec. 13, to the East 1/4 corner of Sec. 13, T32S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 13, T32S, R5-1/2 W, S.L.B.M.; thence East to the Southeast corner of Sec. 9, T32S, RSW, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T32S, R5W, S.L.B.M.; thence East to the Southeast corner of Sec. 34, T31S, R2-1/2W, S.L.B.M.; thence North to the Northwest corner of Sec. 2, T26S, R3W, S.L.B.M.; thence East to the Southwest corner of Sec. 36, T25S, R2W, S.L.B.M.; thence North to the Northwest corner of Sec. 13,

T24S, R2W, S.L.B.M.; thence East to the Northeast corner of Sec. 13, T24S, R1E, S.L.B.M.; thence South to the Southeast corner of T24S, R1E, S.L.B.M.; thence East to the Northeast corner of T25S, R2E, S.L.B.M.; thence South to the North Boundary of Wayne County, Utah; thence East along said County line to the Northeast corner of T27S, R12E, S.L.B.M.; thence South to the Southeast corner of T30S, R12E, S.L.B.M.; thence West to the Northeast corner of T31S, R8E, S.L.B.M.; thence South to the South Boundary of Garfield County; thence West along said County line to the Southeast corner of T37S, R4E, S.L.B.M.; thence South to the Southeast corner of T42S, R4E, S.L.B.M.; thence East to the Northeast corner of T43S, R6E, S.L.B.M.; thence South to the center of the Colorado River; thence Southwesterly along the center of the Colorado River to the Utah-Arizona Boarder, which point is the point of beginning.



Date: August 29, 2012

To: Utah Public Service Commission

From: Kane County Commission

Re: Garkane Energy service application for Zion View Estates

The Kane County Commission would like to request assistance from the Utah Public Service Commission regarding changing the electric service provider for the geographic area that covers the Zion View Estates subdivision on Cedar Mountain in Kane County to Garkane Energy.

The Kane County Water Conservancy District is working on a water system in this area to resolve problems with and outdated, ineffective, and out of state compliance water system. The district needs power to run pumps and various other items to support the water system. The nearest power is located from Garkane Energy just north of the subdivision a few miles. Distance to obtain power from the current service provider would make this project unfeasible.

This matter was on the Kane County Commission agenda of August 27, 2012. The commission discussed and a motion was made to support the request of transferring the service of Zion View Estates to Garkane Energy. This motion passed with unanimous vote.

Therefore, we respectfully request that the geographic region containing Zion View Estates be transferred to Garkane Energy as quickly as feasible.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dirk Clayson".

Dirk Clayson
Kane County Commissioner
(435) 616-1234
dirk@kane.utah.gov

Kane County Commission

76 N. Main St., Kanab, Utah 84741

Come to Kane County, Where anything is Possible!

GARKANE ENERGY ASSOCIATION, INC.
LEGAL DESCRIPTION OF SERVICE AREA

NOW, THEREFORE, IT IS HEREBY ORDERED, That Certificate of Public convenience and necessity No. 1664 be, and the same hereby is amended authorizing applicant herein to supply electric service within the service area described in its application, to wit:

Beginning at a point where the Colorado River intersects the Utah-Arizona Boarder; thence West along said Boarder to the South East corner of T44S, R6W, S.L.B.M.; thence North to the North East corner of Sec. 13, T43S, R6W, S.L.B.M.; thence West to the point where the Kanab Creek crosses the East-West line between Sec. 8 and 17, T43S, R6W, S.L.B.M.; thence South along the course of the Kanab Creek to the point where Kanab Creek crosses the Utah-Arizona Boarder; thence West along said Boarder to the Southeast corner of T43S, R11W, S.L.B.M.; thence North to the Northeast corner of T43S, R11W, S.L.B.M.; thence East to the West Boundary line of Kane County; thence North to the North West corner of T40S, R9W, S.L.B.M.; thence East to the Southeast corner T39S, R8W, S.L.B.M.; thence North to the Southeast corner of Sec. 1, T39S R8W, S.L.B.M.; thence West to the Southwest corner of Sec. 2, T39S R8W, S.L.B.M.; thence North to the Northwest corner of Sec. 2, T39S R8W, S.L.B.M.; thence West to the Southwest corner of Sec. 35, T38S R8W, S.L.B.M.; thence North to the Northwest corner of Sec. 35, T38S R8W, S.L.B.M.; thence East to the Northeast corner of Sec. 35, T38S R8W, S.L.B.M.; thence East to the Northeast corner of Sec. 36, T38S R8W, S.L.B.M.; thence North to the Northeast corner of T38S, R8W, S.L.B.M.; thence West to the Southwest corner of Sec. 36, T37S, R8W, S.L.B.M.; thence North to the Northwest corner of Sec. 24, T36S, R8W, S.L.B.M.; thence East to the Southeast corner of Sec. 16, T36S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T36S, R6W, S.L.B.M.; thence East to the Southeast corner of T35S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 19, T35S, R5W, S.L.B.M.; thence East to the Southeast corner of Sec. 16, T35S, R5W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T35S, R5W, S.L.B.M.; thence East to the West Fork of the Sevier River; thence North Westerly along said River to the point, of intersection with the South line of Sec. 16, T34S, R5W, S.L.B.M.; thence West to the Southwest corner of Sec. 18, T34S, R5W, S.L.B.M.; thence North to the Northwest corner of T34S, R5W, S.L.B.M.; thence West to the Southwest corner of Sec. 35, T33S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 2, T33S, R6W, S.L.B.M.; thence East to the Southeast corner of T32S, R6W, S.L.B.M.; thence North to the Southeast corner of Sec. 24, T32S, R6W, S.L.B.M.; thence West to the Southwest corner. of Sec. 24, T32S, R6W, S.L.B.M.; thence North to the 1/4 corner between Sec. 13 and 14, T32S, R6W, S.L.B.M.; thence East through the center of Sec. 13, to the East 1/4 corner of Sec. 13, T32S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 13, T32S, R5-1/2 W, S.L.B.M.; thence East to the Southeast corner of Sec. 9, T32S, RSW, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T32S, R5W, S.L.B.M.; thence East to the Southeast corner of Sec. 34, T31S, R2-1/2W, S.L.B.M.; thence North to the Northwest corner of Sec. 2, T26S, R3W, S.L.B.M.; thence East to the Southwest corner of Sec. 36, T25S, R2W, S.L.B.M.; thence North to the Northwest corner of Sec. 13,

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- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
GARKANE POWER ASSOCIATION, INC., for)
an exclusive area certificate of)
public convenience and necessity.)

CASE NO. 5624 Sub 2

REPORT AND ORDER

Submitted: December 16, 1975

Issued: April 29, 1976

Appearances:

Elliott Lee Pratt	For	Garkane Power Association, Inc., Applicant
Brinton R. Burbidge Assistant Attorney General	"	Division of Public Utilities, Department of Business Regulation, State of Utah

By the Commission:

Pursuant to the above applicant's application submitted July 1, 1975, and pursuant to notice duly given by mail and publication, the above-entitled matter came on regularly for hearing at the scheduled time, December 16, 1975, at the hour of 10:00 a.m. before A. Robert Thurman, a duly appointed hearing examiner for the Public Service Commission of Utah. For hearing purposes the case was consolidated with Case No. 7137, the subject of a separate Report and Order.

Evidence was offered and received, and the hearing examiner, based on the evidence and being fully advised in the premises, now makes this Report containing Findings of Fact, Conclusion, and Order.

FINDINGS OF FACT

1. Applicant is a non-profit corporation of the State of Utah and is in good standing.
2. Since August 28, 1959, Applicant has held Certificate of Public Convenience and Necessity No. 1664, pursuant to which Applicant has been authorized to serve existing customers and future customers along its existing system and appropriate extensions thereof.
3. Applicant has some hydro-electric generating capacity of its own at Boulder, Garfield County, and has contracts for the purchase of power from the Federal Bureau of Reclamation and from Utah Power and Light Co. These resources appear adequate to serve Applicant's present customers and the growth in non-industrial energy demand reasonably to be anticipated in the area in which Applicant seeks to be certificated.

4. The instant application has been filed in conformity with a stipulation introduced and received in evidence herein, entered into between applicant herein and Utah Power & Light Company, (hereafter called "UP&L") which is the applicant in Case No. 7137. The pertinent provisions of said stipulation insofar as the instant applications are concerned, are contained in paragraphs 2, 3, 4 and 5 thereof and provide after issuance by the Commission of a certificate to applicant in the instant case and to UP&L in Case No. 7137, UP&L will supply service to the Kaiparowits project for construction power and permanent service to the coal mine supplying such project and may also supply service to any project within applicant's certificated area if such project is substantially owned by UP&L; applicant will supply service for the coal mining, pumping and preparation plant at Alton, Utah, for the Warner Allen project, and UP&L shall serve those additional loads in applicant's service area which meet both of the following conditions:

- A. The loads served from a single delivery point which can reasonably be expected to exceed 15,000 kw within five years of the date of initial service.
- B. Applicant could not serve the load with power obtained from sources other than UP&L or from parties whose supply source for power with which to supply Applicant's load is UP&L.

5. Subsequent to the hearings herein serious doubt has arisen as to whether the Kaiparowits project shall proceed as contemplated.

6. Applicant has obtained operating franchises from Kane, Garfield, Sevier, Iron and Washington Counties.

7. Applicant has financing sources available to it consisting in lines of credit from the Federal Rural Electrification Administration and the National Rural Utilities Cooperative Finance Corporation.

8. [Since 1969 Applicant's financial stability has been steadily improving as evidenced by a steady increase in customers, resources, and the ratio of equity to debt, which at this writing compares favorably with other cooperatives of similar size and resources.] Details of this growth are

contained in Applicant's exhibit Nos. 16, 17, 18 and 19 which were not controverted and copies of which are annexed hereto and incorporated by this reference.

9. Applicant has achieved a degree of financial stability and strength sufficient to justify an area certificate.

10. The area certificate here sought is necessary to facilitate Applicant's financing and to justify its making expenditures for planning future expansion.

CONCLUSION

The public convenience and necessity dictate that the certificate here sought be issued.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, That Certificate of Public Convenience and Necessity No. 1664 be, and the same hereby is amended authorizing Applicant herein to supply electric service within the service area described in its application, to wit:

Beginning at a point where the Colorado River intersects the Utah-Arizona Border; thence West along said Border to the South East corner of T44S, R6W, S.L.B.M.; thence North to the North East corner of Sec. 13, T43S, R6W, S.L.B.M.; thence West to the point where the Kanab Creek crosses the East-West line between Sec. 8 and 17, T43S, R6W, S.L.B.M.; thence South along the course of the Kanab Creek to the point where Kanab Creek crosses the Utah-Arizona Border; thence West along said Border to the Southeast corner of T43S, R11W, S.L.B.M.; thence North to the Northeast corner of T43S, R11W, S.L.B.M.; thence East to the West Boundary line of Kane County; thence North to the North West corner of T40S, R9W, S.L.B.M.; thence East to the Southeast corner T39S, R8W, S.L.B.M.; thence North to the Northeast corner of T38S, R8W, S.L.B.M.; thence West to the Southwest corner of Sec. 36, T37S, R8W, S.L.B.M.; thence North to the Northwest corner of Sec. 24, T36S, R8W, S.L.B.M.; thence East to the Southeast corner of Sec. 16, T36S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T36S, R6W, S.L.B.M.; thence East to the Southeast corner of T35S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 19, T35S, R5W, S.L.B.M.; thence East to the Southeast corner of Sec. 16, T35S, R5W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T35S, R5W, S.L.B.M.; thence East to the West Fork of the Sevier River; thence North Westerly along said River to the point of intersection with the South line of Sec. 16, T34S, R5W, S.L.B.M.; thence West to the Southwest corner of Sec. 18, T34S, R5W, S.L.B.M.; thence North to the Northwest corner of T34S, R5W, S.L.B.M.; thence West to the Southwest corner of Sec. 35, T33S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 2, T33S, R6W, S.L.B.M.; thence East to the Southeast corner of T32S, R6W, S.L.B.M.; thence North to the Southeast corner of Sec. 24, T32S, R6W, S.L.B.M.; thence West to the Southwest corner of Sec. 24, T32S, R6W, S.L.B.M.; thence North to the 1/4 corner between Sec. 13 and 14, T32S, R6W, S.L.B.M.; thence East through the center of Sec. 13, to the East 1/4 corner of Sec. 13, T32S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 13, T32S, R5-1/2 W, S.L.B.M.; thence East to the Southeast corner of Sec. 9, T32S, R5W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T32S, R5W, S.L.B.M.; thence East to the Southeast corner of Sec. 34, T31S, R2-1/2W, S.L.B.M.; thence North to the

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PROVIDED, HOWEVER, That within said certificated area Utah Power & Light Company will supply service to the Kaiparowits project for construction power and permanent service to the coal mine supplying such project should such project proceed, and may also supply service to any project within said area except for the town or city to be developed in connection with the Kaiparowits Project, if such project is substantially owned by Utah Power & Light Company; Applicant will supply service for the coal mining, pumping and preparation plant at Alton, Utah, for the Warner Allen project, and Utah Power & Light Company shall serve those additional loads in applicant's service area which meet both of the following conditions:

- A. The loads served from a single delivery point which can reasonably be expected to exceed 15,000 kw within five years of the date of initial service.
- B. Applicant could not serve the load with sources other than Utah Power & Light Company or from parties whose supply source for power with which to supply Applicant's load is Utah Power & Light Company.

IT IS FURTHER ORDERED, That said amended certificate shall be effective on and from the date of this order.

Dated at Salt Lake City, Utah, this 29th day of April, 1976.

/s/ A. Robert Thurman, Hearing Examiner

The above Report and Order is hereby approved and confirmed by the Public Service Commission of Utah.

CASE NO. 5624 Sub 2

- 5 -

/s/ Frank S. Warner, Chairman

/s/ Olof E. Zundel, Commissioner

/s/ Milly Bernard, Commissioner

(SEAL)

Attest:

/s/ Ronald E. Casper, Secretary

AN ORDINANCE GRANTING TO GARKANE POWER ASSOCIATION,
INCORPORATED, ITS SUCCESSORS AND ASSIGNS, AN ELECTRIC
LIGHT, HEAT AND POWER FRANCHISE

The Board of County Commissioners of Kane County, Utah, ordains as follows:

Section 1: That there is hereby granted to Garkane Power Association, Inc., its successors and assigns, hereinafter called "GRANTEE" a non-exclusive franchise, for a period of time from the date of this Ordinance to August 10th, 2014, to construct, operate and maintain electric power lines and facilities together with all necessary appurtenances including underground conduits, poles, towers, and wires, as well as telephone wires and other compatible communication equipment, for the transmission and distribution in and through the County of Kane of electricity to present and future residents and inhabitants thereof and all other persons and corporations desirous of using the same, along, in, upon and across the present and future roads, highways and public places in the County of Kane.

Section 2: Poles and towers shall be so erected that there will be no interference with traffic over said roads and highways. The location of all poles, towers and appurtenances shall be subject to any special approval required by the Board of County Commissioners of said County.

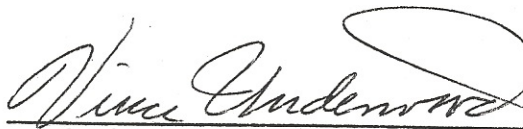
Section 3: All lines constructed under this grant shall be constructed in accordance with the established practices with respect to standard electrical construction.

Section 4: The County shall in no way be liable or responsible for any accident or damage which may occur in the construction, operation or maintenance by the GRANTEE of its lines and appurtenances under this franchise, and the acceptance of this franchise shall be deemed an agreement on the part of said GRANTEE, its successors and assigns, to indemnify said County and hold it harmless against any and all liability, loss, cost, damage, or expense which may accrue to said County by reason of the granting of this franchise or by reason of the neglect, default or misconduct of the GRANTEE in the construction, operation or maintenance of its lines and appurtenances.

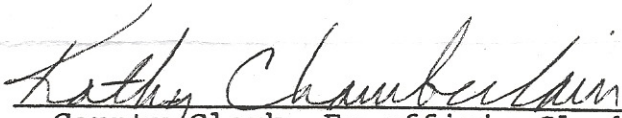
Section 5: The GRANTEE shall file its written acceptance of this franchise with the Clerk of the Board of County Commissioners within thirty (30) days after its passing.

Section 6: This ordinance shall take effect as soon as it shall be published as required by law, deposited and recorded in the office of the County Clerk, and accepted as required therein.

PASSED by the Board of County Commissioners of Kane County, Utah, this 11 day of ~~June~~^{Sept.}, A.D. 1989.


Chairman of the Board of County
Commissioners

ATTEST:


County Clerk, Ex-officio Clerk
of the Board of County Commissioners