

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Application of Deseret Generation & Transmission Co-operative for Approval to Issue Securities in the form of Amended Secured Promissory Note	<u>DOCKET NO. 16-506-01</u>  <u>ORDER</u>
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ISSUED: October 7, 2016

On September 19, 2016, pursuant to Utah Code Ann. § 54-4-31, Deseret Generation & Transmission Co-operative (Deseret), filed a verified application (Application) for Commission approval to issue securities in the form of an amended promissory note to the National Rural Utilities Cooperative Finance Corporation (CFC) in an amount up to \$20,000,000. Deseret affirms it has reached agreement with the CFC on the terms of a Third Amended and Restated Line of Credit (Line of Credit). Deseret represents the Line of Credit is an extension of an existing revolving credit agreement that will increase Deseret's ability to respond to potential cash working capital demands in support of its ongoing operations. Deseret also asserts this transaction will add an increased level of certainty and stability to Deseret's financial position and will present opportunities to Deseret on terms that are advantageous to Deseret.

According to Deseret, its Board of Directors (Board) has approved the terms of the Line of Credit agreement. Deseret anticipates the Application to be unopposed and uncontested and requests informal adjudication under Utah Admin. Code R746-110-1. Deseret also requests, in light of its Board's approval of the proposed transaction, that the Commission determine no additional public notice of this proceeding is required under Utah Admin. Code R746-110-2.

On October 4, 2016, the Division of Public Utilities (Division) filed an action request response addressing the Application. Based on its analysis, the Division determines Deseret's

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measures of financial performance, i.e., its current, quick, and long-term solvency ratios are in line with historical trends. In addition, the Division observes that Deseret has not utilized its current revolving credit line and it carries no outstanding balance due. The Division also highlights that Deseret indicated that its Board met on September 13, 2016 to approve the transaction. The Division recommends the Commission approve the Application.

No party opposes the Application, and the opportunity to do so closed on October 4, 2016. We therefore find approval of the Application, which will allow Deseret to meet its legal obligations both now and in the future, is in the public interest. We conclude that Deseret's application complies with Utah Code Ann. § 54-4-31.

ORDER

1. This matter is converted to an informal adjudication;
2. We approve Deseret's Application;
3. Pursuant to Utah Admin. Code R746-110-2, the 20-day tentative period is waived and therefore this order is final.

DATED at Salt Lake City, Utah, October 7, 2016.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
Commission Secretary  
DW#289486

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

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CERTIFICATE OF SERVICE

I CERTIFY that on October 7, 2016, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

David F. Crabtree ([crabtree@deseretpower.com](mailto:crabtree@deseretpower.com))  
Deseret Generation & Transmission Co-operative

Patricia Schmid ([pschmid@utah.gov](mailto:pschmid@utah.gov))  
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Division of Public Utilities

By Hand Delivery:

Office of Consumer Services  
160 East 300 South, 2<sup>nd</sup> Floor  
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Administrative Assistant