

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)	<u>DOCKET NO. 02-2167-01</u>
STRAWBERRY ELECTRIC SERVICE)	
DISTRICT for Authority to Issue Securities)	<u>REPORT AND ORDER</u>
and Enter Into Contracts)	

ISSUED: August 22, 2002

By the Commission:

On August 7, 2002, Strawberry Electric Service District (the "District"), a Utah Electric Service District, filed a Verified Application of Strawberry Electric Service District for Authority to Issue Securities and Enter into Contracts (the "Application"). The Application sought approval from this Commission, in accordance with *Utah Code Ann.* §54-4-31, to permit the District to issue securities, and approval to enter into contracts for the purchase of new facilities in accordance with *Utah Code Ann.* §54-4-26. The District also requested expedited consideration of the Application so that if approved the District could take advantage of presently existing very favorable conditions for financing bonds.

The District proposes to issue revenue bonds in the amount of \$4,600,000. The anticipated proceeds will be used to refinance three existing loans at more favorable interest rates, and finance the acquisition and construction of a new building, new equipment and certain electric substation facilities. The District provided detailed information regarding the loans to be refinanced, and historical and expected revenue. The District also provided an independent audit for its last complete year of operation. The information provided indicates that the District has sufficient expected revenues to service the amount to be borrowed.

The Division of Public Utilities ("Division") investigated the request and filed its recommendation on August 15, 2002. The Division recommended approval of the Application, and that the Commission require the District to file the loan documents with the Commission once the loan is finalized, and notify the Commission promptly in the event the District defaults on loan payments.

DISCUSSION

The Applicant has provided verified and detailed financial and other documents to establish the pertinent facts of the matter. The Commission finds that this petition can reasonably be expected to be unopposed and that this matter may be adjudicated informally under *Utah Admin. Code* R746-110. Good cause has also been established for waiver of the twenty-day tentative period under R746-110, and we will therefore issue a final order.

The proposed issuance of securities is in the public interest. The recommendations of the Division regarding filing the loan documents, and imposition of a requirement to notify the Commission in the event of default are reasonable and appropriate. With the addition of those requirements, the Application should be approved.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The Verified Application of Strawberry Electric Service District for Authority to Issue Securities and Enter Into Contracts is approved.
2. Once the loan is finalized, the District shall file the loan documents with the Commission. The District shall also immediately notify the Commission in the event the District defaults on any loan payment.

3. Any person aggrieved by this Order may file a written request for review or reconsideration in accordance with *Utah Code Ann.* §§ 54-7-15, 63-46b-12 and 63-46b-13, and the Utah Rules of Appellate Procedure. Failure to do so, may deprive the party of the right to seek judicial review of this Order.

DATED at Salt Lake City, Utah, this 22nd day of August, 2002.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary

G#30608