

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of EMPIRE ELECTRIC ASSOCIATION, INC. for Authority to Issue Securities	<b>VERIFIED APPLICATION OF EMPIRE ELECTRIC ASSOCIATION, INC. FOR AUTHORITY TO ISSUE SECURITIES</b>  Docket No. _____
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Applicant, Empire Electric Association, Inc. (“Empire”), respectfully requests approval from the Public Service Commission for the Commission’s prior written approval, in accordance with Utah Code Ann. §54-4-31 to permit the Empire to participate in the issuance of securities.

1. The purpose for which presently the Empire proposes to issue such securities to obtain funds required to refinance a portion of debt which was incurred in 2007 with the approval of the Commission. The amount of debt being \$1,060,340.00, which will be refinanced, by issuing a secured Promissory Note to National Rural Utilities Cooperative Finance Corporation, payable over a nine year term (the “Note”).

2. The Note is to be secured under a Restated Mortgage and Security Agreement dated as of August 1, 2007.

3. The purpose for the refinancing is to reduce the cost for the debt. It is estimated, assuming no adverse change in rates, that the cost reduction will be approximately \$73,000.00 per year.

4. The proposed transaction requires Empire to enter into a Loan Agreement, as well as to execute the Note. Copies of the proposed Note and Loan Agreement, subject to

modification to reflect any changes resulting from economic events are attached as Exhibit 1 and 2 respectively.

5. A comparison of cash flows and summary are attached as Exhibit 3.

6. Empire has sufficient revenues expected to service the amount to be borrowed, as set forth in Exhibit 3.

7. The independent audit of Empire for the year ending December 31, 2009, is attached as Exhibit 4 to this Application.

8. The issuance of securities is in the interest of Empire and its rate payers. Approval will enable Empire to reduce its costs and assist Empire to continue to properly provide electric service to present and future consumers in the area that Empire serves.

9. Empire requests Informal Adjudication of the Application under R746-110 Rules of the Public Service Commission as it is not anticipated that the Application will be opposed or contested. Empire further requests expedited consideration of the Application in order to permit Empire's participation to go forward with the current favorable terms that are available for such financing.

10. Empire, based upon the foregoing statement requests waiver of the 20-day tentative period under R746-110-2 and, if necessary, waiver of the 30-day period under R746-401-3.

Respectfully submitted this 17<sup>th</sup> day of January, 2018.

EMPIRE ELECTRIC ASSOCIATION, INC.

By: \_\_\_\_\_

Glen Noble  
Its: Engineering Manager  
803 North 500 East  
P.O. Box 349  
Payson, UT 84651

SNOW, CHRISTENSEN & MARTINEAU

By: \_\_\_\_\_

Michael R. Carlston  
Attorney for Applicant  
10 Exchange Place, Eleventh Floor  
Salt Lake City, UT 84111

STATE OF COLORADO            )  
  : ss.  
COUNTY OF MONTEZUMA        )

On this 17<sup>th</sup> day of January, 2018, personally appeared before me Glen Noble, who being duly sworn did say that he is the Engineering Manager of Empire Electric Association, Inc., the Applicant in this proceeding and that Glen Noble has read the foregoing Application and is familiar with the transactions referred to therein, and that, to the best of his knowledge, information and belief, the statements therein are true and accurate and he has executed the foregoing application on its behalf.

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Paul M Bennetts, Notary Public  
My Commission expires 02/16/2014