

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Garkane)
Energy Cooperative, Inc. to Amend its) DOCKET NO. 12-028-01
Certificated Service Area) ORDER AMENDING SERVICE AREA

ISSUED: December 11, 2012

SYNOPSIS

The Commission approves the application of Garkane Energy Cooperative, Inc. to amend its certificated service area, effective January 15, 2013, in the absence of a timely protest or request for hearing.

By The Commission:

This matter is before the Commission on the application of Garkane Energy Cooperative, Inc. (“Garkane”) for a boundary change to its certificated service area.

PROCEDURAL HISTORY

On October 17, 2012, Garkane submitted its application together with supporting materials, including a map showing its current service area and the proposed addition to its service area, and a legal description of the new area. On October 17, 2012, the Commission issued an Action Request to the Division of Public Utilities (“Division”) requesting the Division review the application and make recommendations. On November 14, 2012, the Division filed a memorandum recommending approval of the application. On December 5, 2012, the Commission mailed a letter to Garkane stating the Commission’s approval of Garkane’s application. The letter was served electronically on the Commission’s service list for electric and gas utility matters. This Order Amending Service Area establishes an effective date for the

requested change in service area, subject to any protest or request for hearing. This order also provides the Commission's findings and conclusions.

DISCUSSION, FINDINGS, AND CONCLUSIONS

The application is a request to amend Garkane's original Certificate of Public Convenience and Necessity ("CPCN") No. 1664, granted on April 29, 1976. According to the application, Garkane seeks the amendment in order to serve the Zion View Estates Subdivision ("Zion View") on Cedar Mountain in Kane County. Garkane asserts Zion View is not in the service area of any public utility and that Zion View is much closer to Garkane's facilities than those of Rocky Mountain Power ("RMP"). Garkane states it has discussed its application with RMP, and RMP has no objection. Garkane attached to its application a letter signed by RMP's Manager of Service Area Issues corroborating Garkane's statement. Also attached is a letter from the Kane County Commission supporting Garkane's request to amend its original CPCN to include Zion View.

The Division recommends the Commission approve Garkane's request to amend its current CPCN to include Zion View as part of Garkane's authorized service territory. In its memorandum, the Division notes the application includes as attachments a map showing Garkane's service area (Attachment 1) and an updated legal description which inserts the new service area's legal description (highlighted) into the existing service area legal description (Attachment 2). The Division notes it has accepted at face value the accuracy of the legal description as being factual, without further review and verification.

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In accordance with Utah Code Ann. § 54-4-25(5)(d), the Division determined Garkane's five year average (2007-2011) regulatory debt-to-equity ratio is 54.57% debt to 45.43% equity. This ratio for 2011 is 51.36% debt to 48.64% equity. The year-to-date August 2012 debt-to-equity ratio is 51.34% to 48.66%. In response to a Division request, Garkane management, in an October 24, 2012 letter to the Division, states line extension costs to serve Zion View will be aid in construction, and Garkane will experience no out-of-pocket costs. Based on the Division's review and the information provided by Garkane, we find Garkane is financially stable and that its service in the Zion View area is in the public interest. We direct Garkane to seek additional Commission authority if the financing arrangements for service in the new area differ materially from those disclosed to the Division.

ORDER

Based on the unopposed application submitted by Garkane and the recommendation of the Division, the requested amendment to the Legal Description of Service Area in Certificate of Public Convenience and Necessity No. 1664, granted on April 29, 1976, is in the public interest and is approved. The approved Legal Description of Service Area is "Attachment 2" to Garkane's application. This CPCN amendment shall become effective January 15, 2013, in the absence of a protest or request for hearing filed in this docket within thirty days of the date of this Order. In the event of such protest or request for hearing, the Commission shall issue further direction concerning the disposition of this application.

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DATED at Salt Lake City, Utah this 11th day of December, 2012.

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
D#240009

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the 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 fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, 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 Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 11th day of December, 2012, a true and correct copy of the foregoing Order Amending Service Area was served upon the following as indicated below:

By U.S. Mail:

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

By Electronic-Mail:

Robert C. Lively (bob.lively@pacificorp.com)
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Rocky Mountain Power

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
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Administrative Assistant