

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

IN THE MATTER OF THE APPLICATION)
OF BRIDGER VALLEY ELECTRIC) DOCKET NO. 14-022-01
ASSOCIATION, INC. FOR AUTHORITY)
TO BORROW UP TO \$8,000,000.00 FROM)
THE NATIONAL RURAL UTILITIES)
COOPERATIVE FINANCE CORPORATION)

PETITION

COMES NOW the Petitioner, Bridger Valley Electric Association, Inc., by and through its attorney, Dennis W. Lancaster of Lancaster Law Offices, P.C., and does hereby petition the Public Service Commission of Utah as follows:

1. Bridger Valley Electric Association, Inc. is a consumer owned, non-profit corporation organized under the laws of the State of Wyoming, having its principal place of business at Mountain View, Wyoming. It is a public utility and as such is engaged in the business of furnishing electric utility service to the public within certain towns, unincorporated communities, and rural areas in Uinta, Lincoln, and Sweetwater Counties in the State of Wyoming, and Daggett and Summit Counties in the State of Utah under and pursuant to Certificates of Public Convenience and Necessity issued by the Public Service Commissions of Wyoming and Utah.
2. Petitioner is contemplating entering into a Loan Agreement with the National Rural Utilities Cooperative Finance Corporation ("CFC") in the amount of \$8,000,000.00. The proceeds of said loan will be used to construct new electric transmission and distribution facilities as they may be needed to provide reliable and adequate electric service to Petitioner's customers.

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3. This loan is made under CFC's recently implemented "Power Vision" loan program. This lending program enables Petitioner to enter into a loan agreement for future borrowing needs for the term as set forth in the Loan Agreement. Petitioner will request advances of these loan funds only as they may be needed to finance construction of electric transmission and distribution facilities. There is no cost to Petitioner for having the loan approved and available.
4. Having this loan pre-approved and available will enable Petitioner to more effectively manage its debt and budgets for future projects, respond quickly to competitive challenges, and reduce its overall long-term loan and administrative costs.
5. Proceeds of said loan will be used for purposes authorized by law and the aggregate amount of the securities outstanding and proposed to be outstanding, if this petition is granted, will never exceed the fair value of Petitioner's properties and business. As loan funds are drawn, the amount of the securities outstanding will increase. However, since Petitioner plans to always finance a portion of new plant additions from internally generated funds, Petitioner's property and assets will always increase by a larger amount.
6. As indicated herein, the proceeds of said loan will be used to finance construction of electric transmission and distribution facilities, and a copy of the Loan Agreement between Petitioner and CFC is attached hereto marked "Exhibit A" and by this reference made a part hereof.
7. Petitioner proposes to make, execute and deliver to CFC a Promissory Note in the

amount of \$8,000,000.00 pursuant to said Loan Agreement. The Promissory Note is secured by a Restated Mortgage and Security Agreement. A copy of the Promissory Note is attached hereto marked "Exhibit B" and a copy of the Restated Mortgage and Security Agreement are attached hereto marked Exhibit "C".

8. Proceeds of said loan will be used for the purposes authorized by law and the aggregate amount of securities outstanding and proposed to be outstanding, if this petition is granted, will not exceed the fair value of Petitioner's properties and business.

WHEREFORE, Bridger Valley Electric Association, Inc. requests that this Commission grant the following relief:

1. That the Public Service Commission of Utah enter an order authorizing Petitioner to enter into the above-described financing arrangement by executing said Loan Agreement and Promissory Note and authorizing it to use the proceeds of said loan for the purposes herein specified.

RESPECTFULLY SUBMITTED this 25th day of June, 2014.

BRIDGER VALLEY ELECTRIC
ASSOCIATION, INC., Petitioner

By: 

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