

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Dixie Escalante Rural Electric Association, Inc. for Authority to Issue Securities in the Form of a Loan Agreement and Secured Promissory Note	<u>DOCKET NO. 16-066-01</u> <u>ORDER</u>
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ISSUED: August 26, 2016

On July 29, 2016, pursuant to Utah Code Ann. § 54-4-31, Dixie-Escalante Rural Electric Association, Inc. (Dixie-Escalante), filed a verified application (Application) for Commission approval to issue securities in the form of a loan agreement with and secured promissory note to the National Rural Utilities Cooperative Finance Corporation in an amount up to \$20,000,000. Dixie-Escalante represents it will use the proceeds of the proposed loan to help finance the construction of new transmission and distribution infrastructure, buildings, and related facilities. Dixie-Escalante states this new infrastructure is necessary to enable it to continue to meet its obligations to provide safe, affordable, and reliable service to its members, now and in the future. Dixie-Escalante affirms that its Board of Directors (Board) authorized it to enter into the loan and to execute the necessary loan documents at a duly-noticed meeting of the Board held on June 1, 2016.

Dixie-Escalante anticipates the Application to be unopposed and uncontested and requests informal adjudication under Utah Admin. Code R746-110-1. Dixie-Escalante 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.

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On August 15, 2016, the Division of Public Utilities (Division) filed an action request response addressing the Application. Based on its analysis, the Division determines Dixie-Escalante appears to have been financially stable for the past five years and has been able to meet its financial obligations. The Division also affirms that Dixie-Escalante's Board approved the transaction during its June 1, 2016 meeting and states that Dixie-Escalante recently increased customer rates and has the ability to raise future customer rates, if necessary, in order to meet its financial obligations. Furthermore, the Division concludes the terms and conditions of the financial transaction appear to be in line with current market rates. Accordingly, the Division recommends the Commission approve the Application.

No party opposes the Application, and the opportunity to do so closed on August 25, 2016. We therefore find approval of the Application, which will allow Dixie-Escalante to meet its obligations as a public utility both now and in the future, is in the public interest.

ORDER

Based on the Application, the Division's recommendation for approval and there being no objection to the Application, the Commission finds the Application is in the public interest and orders:

1. This matter is converted to an informal adjudication;
2. Dixie-Escalante's Application is approved;
3. The 20-day tentative period in Utah Admin. Code R746-110-2 is waived and this order is final.

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DATED at Salt Lake City, Utah, August 26, 2016.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#288836

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 August 26, 2016, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

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