

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Flowell Electric Association, Inc. for Approval to Issue Securities in the Form of Revolving Credit Promissory Note	<u>DOCKET NO. 18-027-01</u>  <u>ORDER</u>
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ISSUED: January 25, 2018

On January 8, 2018, pursuant to Utah Code Ann. § 54-4-31, Flowell Electric Association, Inc. (Flowell) filed a verified application (Application) for authority to issue securities in the form of a revolving credit promissory note to COBANK, ACB (COBank) in an amount up to \$1 million (COBank Agreement) in connection with a working capital credit for 2018. The COBank Agreement will supplement Flowell's existing \$1 million line of credit with the National Rural Utilities Cooperative Finance Corporation (CFC).

Flowell represents its Board of Directors (Board) approved the terms of the COBank Agreement. Flowell anticipates its Application will be unopposed and uncontested. Accordingly, Flowell requests informal adjudication of this matter, pursuant to Utah Admin. Code R746-110-1, and requests a final order by February 7, 2018, pursuant to Utah Admin. Code R746-110-2.

On January 23, 2018, the Division of Public Utilities (DPU) filed an action request response addressing Flowell's Application. The DPU's review notes the following:

1. Flowell requests authorization to issue securities in the form of a revolving credit promissory note to COBank up to \$1 million.
2. Flowell will use funds from the note for working capital and other permitted corporate purposes.
3. The promissory note requested in this Application will augment an existing credit line of \$1 million Flowell currently has with the CFC.

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4. Flowell anticipates undertaking material upgrades to existing electric distribution and sub-transmission facilities within its service area.

5. Flowell anticipates these projects will likely be financed largely through separate long-term financing arrangements, but is seeking to increase its available working capital to ensure against any unforeseen short-term liquidity needs in light of these near-term capital projects.

6. Flowell believes the additional revolving promissory note with COBank will add certainty and stability to its financial position.

7. Based on the DPU's review of the Application and Flowell's 2012 through 2016 financial history, the DPU recommends the PSC approve the Application.

No other comments were received, and the opportunity to oppose the Application closed on January 24, 2018. Therefore, considering the representations set forth in the Application, the DPU's recommendation to approve, and there being no opposition, we approve the Application pursuant to Utah Code Ann. § 54-4-31 as set forth below.

ORDER

1. This matter is converted to an informal adjudication pursuant to Utah Admin. Code R746-110-1; and
2. We approve Flowell's Application and, in doing so, we waive the 20-day tentative period for good cause and make this a final order pursuant to Utah Admin. Code R746-110-2.

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DATED at Salt Lake City, Utah, January 25, 2018.

/s/ Melanie A. Reif  
Presiding Officer

Approved and Confirmed as the Order of the PSC, January 25, 2018.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#299463

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 PSC 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 PSC 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 PSC'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 January 25, 2018, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

David F. Crabtree ([crabtree@deseretgt.com](mailto:crabtree@deseretgt.com))  
Flowell Electric Association, Inc.

Patricia Schmid ([pschmid@agutah.gov](mailto:pschmid@agutah.gov))  
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By Hand Delivery:

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Administrative Assistant