

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	<u>DOCKET NO.</u>
Dixie-Escalante Rural Electric Association)	
for Authority to Issue Securities)	Proposed Form of
in the Form of a Revolving Credit)	<u>REPORT AND ORDER</u>
Promissory Note)	
)	

By the Commission:

On January 17, 2018, Applicant Dixie-Escalante Rural Electric Association, Inc. (“Dixie”) filed an application seeking authority pursuant to Utah Code Ann. §54-4-31 to issue certain securities in the form of Amended and Restated Revolving Credit Promissory Note and Supplement (the “2018 Working Capital Note”) in the amount of up to \$5,000,000.00, for working capital financing. The 2018 Working Capital Note will be governed by terms and conditions previously approved as part of a Master Loan Agreement (“MLA”) dated June 26, 2013, authorized by the Commission in its Report and Order dated September 3, 2013, in Docket No. 13-066-01. Applicant requested Informal Adjudication of the Application under R746-110, Rules of the Public Service Commission, and represented that the matter was anticipated to be unopposed and uncontested. Finally, Applicant requested a waiver by the Commission of the 20-day tentative period under R746-110-2 for good cause shown on the basis that the 2018 Credit Line, in order to provide maximum protection and flexibility to Dixie, must be available without delay.

Applicant has submitted copies of the relevant documents, certified and verified pursuant to the Verified Application, and other information to establish the facts pertinent to the

Application.

FINDINGS OF FACT

1. Applicant has negotiated the terms of the 2018 Working Capital Note with COBANK, ACB to provide for additional potential working capital financing resource for its liquidity needs if and as such needs may arise. The 2018 Working Capital Note will be unsecured except for a security interest in any equity owned by Applicant in COBANK.

2. Applicant has represented that the proposed 2018 Working Capital Note represents an appropriate means available to Dixie to augment and maintain a necessary financial working capital source(s) in the event of liquidity needs for debt service or ongoing operations to address potential unforeseen eventualities. The 2018 Working Capital Note was approved by Applicant's Board of Trustees at a regularly scheduled meeting of the board on January 12, 2018.

CONCLUSIONS OF LAW

1. The Applicant is a public utility subject to the jurisdiction of this Commission.
2. All legal and factual prerequisites and requirements for the issuance of this Order have been satisfied.
3. Execution of the 2018 Working Capital Note as described herein is in the public interest.
4. The proposed issuance and/or renewal of securities in the form of the 2018 Working Capital Note is (i) for lawful and proper purposes; (ii) within Applicant's corporate powers; (iii) consistent with the public interest, sound financial practices and the proper

performance of Applicant's public service; and (iv) designed to enhance and not impair Applicant's ability to perform its public service.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. Dixie is hereby authorized to execute and issue the 2018 Working Capital Note to the COBANK, ACB in the amount of up to \$5,000,000 all under the terms and conditions generally as described in this Report and Order.

2. Applicant is hereby authorized to execute and deliver such documents and take such actions as may be reasonably necessary or convenient to the completion of the 2018 Working Capital Note.

3. Nothing in this Order shall be construed to obligate the State of Utah to pay or guarantee in any manner whatsoever any securities authorized, issued, assumed, or guaranteed hereunder.

4. For good cause shown, the 20 day tentative period under R746-110-2 is hereby waived.

DATED at Salt Lake City, Utah, this ____ day of _____, 2018.

Attest:

Commission Secretary