

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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| Application of Dixie-Escalante Rural Electric Association, Inc. for Approval to Issue Securities in the Form of Amended and Restated Revolving Credit Promissory Note and Supplement | <u>DOCKET NO. 18-066-01</u><br><br><u>ORDER</u> |
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ISSUED: February 7, 2018

On January 18, 2018, pursuant to Utah Code Ann. § 54-4-31, Dixie-Escalante Rural Electric Association, Inc., doing business as Dixie Power (Dixie), filed a verified application (Application) for authority to issue securities in the form of amended and restated revolving credit promissory note and supplement (2018 Working Capital Note) to COBANK, ACB (COBank). The 2018 Working Capital Note amends and increases the available credit amount under a previously executed Master Loan Agreement (MLA) dated June 26, 2013. The MLA was negotiated in connection with the \$3 million existing revolving credit loan facility authorized by the Public Service Commission of Utah (PSC) in its September 3, 2013 Report and Order in Docket No. 13-066-01. The amount of the 2018 Working Capital Note to be executed by Dixie is expected to be up to \$5 million. According to Dixie, proceeds of advances under the 2018 Working Capital Note will be used for working capital cash needs and any other permitted corporate purpose.

Dixie represents its Board of Directors approved the terms of the 2018 Working Capital Note on January 12, 2018. Dixie anticipates its Application will be unopposed and uncontested. Accordingly, Dixie requests informal adjudication of this matter, pursuant to Utah Admin. Code R746-110-1, and requests a final order no later than February 16, 2018, pursuant to Utah Admin. Code R746-110-2.

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On January 25, 2018, the Division of Public Utilities (DPU) filed an action request response addressing Dixie's Application. The DPU's review notes the following:

1. Dixie's Board of Directors approved the proposed loan on January 12, 2018.
2. Dixie recently increased its customer rates, and it has the ability to raise future customer rates, if necessary, in order to meet its financial obligations.
3. Based on the DPU's review of the Application and Dixie's financial statements, the DPU recommends the PSC approve the Application.

No other comments were received, and the opportunity to oppose the Application closed on February 2, 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 Dixie'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, February 7, 2018.

/s/ Melanie A. Reif  
Presiding Officer

Approved and Confirmed as the Order of the PSC, February 7, 2018.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#299894

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.

CERTIFICATE OF SERVICE

I CERTIFY that on February 7, 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))  
Dixie-Escalante Rural Electric Association, Inc.

Patricia Schmid ([pschmid@agutah.gov](mailto:pschmid@agutah.gov))  
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Division of Public Utilities

By Hand Delivery:

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Administrative Assistant