

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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. 19-066-01</u> <u>ORDER</u>
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ISSUED: February 14, 2019

On January 23, 2019, pursuant to Utah Code Ann. § 54-4-31, Dixie-Escalante Rural Electric Association, Inc., doing business as Dixie Power (Dixie), filed with the Public Service Commission of Utah (PSC) a verified application (Application) for authorization to issue securities in the form of: 1) a Loan Agreement with National Rural Utilities Cooperative Finance Corporation (CFC), 2) a Secured Promissory Note to CFC in an amount up to \$20,000,000 (Loan), and 3) a Restated Mortgage and Security Agreement with CFC. Dixie also requests PSC authorization to enter into and deliver such other documents, agreements and arrangements as may reasonably be necessary or incident to the above-referenced securities. Dixie states that the proceeds from the Loan will help finance the construction of new transmission and distribution infrastructure, buildings, and related facilities.

Dixie represents that, on January 3, 2019, its Board of Directors authorized it to enter into the Loan and to execute Loan documents. In conformance with Utah Admin. Code R746-110-1, Dixie anticipates and represents that this matter will be unopposed and uncontested, and requests an informal adjudication of this matter within 30 days of its filing, or no later than February 22, 2019.

On February 7, 2019, the Division of Public Utilities (DPU) filed an action request response addressing Dixie's Application. This filing represents the DPU's "corrected" filing in which the DPU notes the following:

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1. Dixie's Board of Directors approved the proposed loan on January 3, 2019.
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, Dixie has been financially stable for the past five years and able to meet its financial obligations.

DISCUSSION, FINDINGS, AND CONCLUSIONS

The DPU recommends the PSC approve the Application. The Application is unopposed and uncontested. Based on the approval of Dixie's Board of Directors and Dixie's financial position, and considering Dixie's statement that the proceeds of the Loan will help finance the construction of new transmission and distribution infrastructure, buildings and related facilities, we find Dixie's Application reasonable. We also find that good cause exists for adjudicating this matter informally and issuing a final order. Therefore, considering the representations set forth in the Application, there being no opposition thereto, and considering the DPU's recommendation and our finding of reasonableness, we approve the Application pursuant to Utah Code Ann. § 54-4-31 as set forth below.

ORDER

1. We convert this matter to an informal adjudication pursuant to Utah Admin. Code R746-110-1;
2. We approve Dixie's Application, effective February 22, 2019, and, in doing so, waive the 20-day tentative period for good cause and issue a final order pursuant to Utah Admin. Code R746-110-2; and

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3. Pursuant to Utah Admin. Code R746-110-2, any person may file a protest before February 22, 2019 and, if the PSC finds such protest meritorious, the effective date of this order shall be suspended pending further proceedings. Absent a meritorious protest, this order shall become effective automatically without further action.

DATED at Salt Lake City, Utah, February 14, 2019.

/s/ Melanie A. Reif
Presiding Officer

Approved and Confirmed as the Order of the PSC, February 14, 2019.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg

PSC Secretary

DW#306664

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 February 14, 2019, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

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