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Attorney for Applicant

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	Docket No.
Dixie-Escalante REA, dba Dixie Power)	
("Dixie") for Authority to Issue)	
Securities in the form of Paycheck)	Verified Application
Protection Program Loan Pursuant to)	For Authority to
the Coronavirus Aid, Relief, and)	Issue Securities
Economic Security Act or the CARES Act)	
)	

Applicant Dixie-Escalante, dba Dixie Power ("Applicant"), hereby applies for authority to issue securities in the form of one or more loan agreements, applications, and/or promissory note(s) in connection with a loan pursuant to the Coronavirus Aid, Relief, and Economic Security Act or the CARES Act ("CARES Act").

The amount of the promissory note(s) to be executed by Applicant is expected to be approximately \$1,746,067, as set forth in an attached loan document submitted with this Application.

Pursuant to R746-110, Rules of the Public Service Commission, Applicant hereby requests Informal Adjudication of this Application. Applicant represents that the matter is anticipated to be unopposed and uncontested. Submitted herewith is an Appendix that includes Sworn Statements from the Applicant, Certified Documents and other relevant information necessary to establish the facts pertinent to this Application.

In support of this Application, Applicant represents as follows:

Background.

1. Applicant is an electric cooperative providing retail electric distribution services to its member/owners in rural locations in the State of Utah. Applicant is a public utility subject to the jurisdiction of this Commission.

2. In response to the unprecedented COVID-19 emergency, the United States Congress enacted the CARES Act, providing, among other things, the Paycheck Protection Program ("PPP") which authorizes forgivable government-guaranteed loans to small businesses to pay their employees during the COVID-19 crisis.

3. The PPP loan amounts will be forgiven and will not have to be repaid as long as:

- The loan proceeds are used to cover Paycheck costs, and most mortgage interest, rent, and utility costs over the 8-week period after the loan is made; and
- Employee and compensation levels are maintained.

4. Further details of the PPP loans are set forth in the fact sheet submitted with this Application.

Applicant's PPP Loan.

4. Applicant has already experienced dramatically reduced price(s) and demand for electric service in its service area, most likely attributable to the dramatic effect of the COVID-19 crisis. Applicant anticipates it will continue to experience depressed demand for power and energy sold to retail consumers and will experience adverse effects to overall revenues which it normally relies upon to maintain stable, affordable rates and charges for its electricity provided to its members.

5. To help address and maintain stable operations during the COVID-19 emergency, and to ensure continued retention of employees during the time Applicant experiences lower demand for electricity production, Applicant has been authorized by the unanimous approval of its Governing Board, consisting of publicly elected representatives of all the consumer/members, to apply for and procure the PPP Loan in the maximum amount of 2.5 times Applicant's average monthly Paycheck expenses as set forth pursuant to the CARES Act.

5. All proceeds of the PPP Loan will be used exclusively for permitted uses provided pursuant to the CARES Act, primarily including paycheck and related qualifying employee compensation/benefits, qualifying utility expenses, mortgage and interest payments.

6. Applicant anticipates that, aided in part by virtue of the PPP Loan proceeds, it will retain and maintain approximately the equivalent average workforce through the period identified in the CARES Act to qualify for full or nearly full forgiveness of the PPP Loan amount.

7. All amounts due and owing for borrowed funds under the PPP Loan are expected to become due and payable two (2) years after the loan advance occurs.

8. The amounts borrowed under the PPP Loan will bear interest at the rate(s) set forth by the U.S. Treasury Department and/or the Small Business Administration in accordance with regulations promulgated or guidance otherwise issued pursuant to the CARES Act.

9. Amounts borrowed under the PPP Loan may be repaid and/or prepaid at any time without penalty.

10. Amounts borrowed under the PPP Loan will be unsecured.

Public Interest

12. The PPP Loan will have relatively no adverse risks to the financial condition, operations, and rates of Applicant.

13. The PPP Loan is anticipated to be forgiven, without any tax consequence for loan forgiveness, and Applicant anticipates it will not be required to repay any material portion of the PPP Loan.

14. The amount borrowed under the PPP Loan will be used to stabilize rates for Applicant's services to its members during the pendency of the COVID-19 crisis. Applicant does not anticipate any changes to its member rates or charges as a consequence of the PPP Loan.

15. The representatives of Applicant's Members on Applicant's Governing Board have actively participated in the development of, and the Governing Board has approved the terms of the PPP Loan.

16. Applicant has determined that PPP Loan will add an increased level of certainty and stability to its financial position, will increase its ability to respond to potential working capital cash demands during the coming months, will provide valuable stability to Applicant's workforce during the crisis, and will otherwise present opportunities to Applicant on terms that are advantageous to Applicant.

17. Pursuant to R746-110-2, Applicants request that the Commission determine the nature of any notice of this informal proceeding that may be appropriate.

Timing.

18. Applicant requests expedited and informal consideration of this Application on the grounds that the terms and conditions of the PPP Loan is intended to provide immediate, emergency relief during the ongoing COVID-19 crisis, has been reviewed by and approved by Applicant's Governing Board which represents all of its member/customers, and amounts appropriated by Congress for such loan(s) may become oversubscribed as numerous small businesses make application for similar loans under the CARES Act.

19. Applicant desires to access the PPP Loan without delay. Accordingly, Applicant requests that a Report and Order be issued no later than April 15, 2020, to allow Applicant to execute the necessary securities, loan documentation, and promissory note(s) by April 16, 2020.

20. Pursuant to R746-110-2, Applicant requests waiver by the Commission of the 20-day tentative period for good cause, as shown above.

Requested Action

Wherefore, Applicant asks this Commission to issue an order approving and authorizing the issuance of securities by Applicant in the form of one or more promissory notes under the PPP Loan program as set forth in the CARES Act, in the amounts and for the purposes specified herein.

DATED this 9th day of April, 2020.

/s/ David F. Crabtree_____

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Co-operative

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application was served by email this 9th day of April, 2020 upon the following:

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/s/ Cami Reeder