

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Dixie-Escalante REA, dba Dixie Power (“Dixie”) for Authority to Issue Securities in the Form of Paycheck Protection Program Loan Pursuant to the Coronavirus Aid, Relief, and Economic Security Act or CARES Act	<u>DOCKET NO. 20-066-01</u> <u>ORDER</u>
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ISSUED: April 13, 2020

On April 9, 2020, pursuant to Utah Code Ann. § 54-4-31, Dixie-Escalante REA (“Dixie”) filed with the Public Service Commission (PSC) a verified application (“Application”) seeking authorization to issue securities in the form of one or more loan agreements, applications, and/or promissory note(s) in an amount of approximately \$1,746,067 in connection with a loan pursuant to the Coronavirus (“COVID-19”) Aid, Relief, and Economic Security Act (“CARES Act”).

The Application states that, to help maintain stable operations and ensure continued retention of employees during the COVID-19 emergency, Dixie 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 a Paycheck Protection Program loan (“PPP Loan”) in the maximum amount of 2.5 times Dixie’s average monthly payroll expenses as set forth pursuant to the CARES Act. According to Dixie, it 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.

The Application explains the PPP Loan amount will be forgiven and will not have to be repaid as long as: (1) the loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8-week period after the loan is made; and (2) employee and compensation levels are maintained. Dixie 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.

Pursuant to Utah Admin. Code R746-110, Dixie requests informal adjudication of the application by no later than April 15, 2020 as it anticipates the matter will be unopposed and uncontested. Dixie also requests expedited consideration of the Application on the grounds that the terms and conditions of the PPP Loan are intended to provide immediate, emergency relief during the ongoing COVID-19 crisis and have been reviewed by and approved by Dixie's governing board, and amounts appropriated by Congress for PPP loans may become oversubscribed as numerous small businesses make application for similar loans under the CARES Act.

On April 10, 2020, the Division of Public Utilities (DPU) filed an action request response addressing the Application. The DPU represents that based on its review and understanding of the need for prompt action, the DPU believes that the Application is in the public interest and recommends the PSC approve it.

DISCUSSION, FINDINGS, AND CONCLUSIONS

The DPU recommends the PSC approve the Application. The Application is unopposed and uncontested. Based on our review of the Application and its supporting materials, the DPU's recommendation, the exigent circumstances surrounding the COVID-19 emergency, the provisions of the PPP Loan, Dixie's statement that all proceeds of the PPP Loan will be used exclusively for the permitted uses identified in the CARES Act, and there being no opposition, we find approval of Dixie's Application is reasonable, necessary, and in the public interest. We

DOCKET NO. 20-066-01

- 3 -

further find good cause exists for adjudicating this matter informally and that Dixie's filing satisfies the requirements for informal adjudication under Utah Admin. Code R746-110. Finally, we find Dixie has established good cause to waive the 20-day tentative period for issuing a final order.

ORDER

1. We adjudicate this matter informally pursuant to Utah Admin. Code R746-110;
2. We approve Dixie's Application, effective April 13, 2020; and
3. The 20-day tentative period contemplated under Utah Admin. Code R746-110-2 is waived; this is a final order.

DATED at Salt Lake City, Utah, April 13, 2020.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#313069

DOCKET NO. 20-066-01

- 4 -

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 April 13, 2020, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

David F. Crabtree (crabtree@deseretpower.com)
Dixie-Escalante REA, dba Dixie Power

Patricia Schmid (pschmid@agutah.gov)
Justin Jetter (jjetter@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Victor Copeland (vcopeland@agutah.gov)
Assistant Utah Attorneys General

Madison Galt (mgalt@utah.gov)
Division of Public Utilities

Cheryl Murray (cmurray@utah.gov)
Office of Consumer Services

Administrative Assistant