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*Attorney for Applicant Dixie Escalante Rural Electric
Association*

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	Docket No.
Dixie Escalante Rural Electric Assn.)	
For Approval of Acquisition of Electric)	Proposed
Utility Plant and Equipment and)	Form of Report
Addition to Certificate of Convenience)	and Order
And Necessity)	

ISSUED: _____

By the Commission:

PROCEDURAL HISTORY

On October 27th, 2020, Applicant Dixie Escalante Rural Electric Association ("DEREA") filed a Verified Application seeking approval pursuant to § 54-4-30 to acquire substantially all of the utility plant, property, and equipment and other associated assets of Flowell Electric Association, Inc. ("Flowell") and for an addition to the Certificate of Convenience and Necessity previously issued to DERE A to include all of the service territory heretofore certificated to Flowell.

The Application was supported by sworn statements of Applicant's Chief Executive Officer LaDel Laub and by documents submitted in connection with the Application

Applicant requested Informal Adjudication of the Application in accordance with Rule R746-110, *Utah Administrative Code*, and represented that the matter was anticipated to be unopposed and uncontested. In light of the unanimous approval of the proposed transaction by the governing board of the Applicant, as well as approval by the membership and governing board of Flowell, Applicant further asked the Commission to determine that no additional public notice of this proceeding is required under Rule R746-110- 2.

Applicant has submitted copies of relevant documents, certified and verified pursuant to the Application, and other information to establish the facts pertinent to the Application. On _____, 2020, the Division of Public Utilities filed a memorandum recommending approval of the same.

BACKGROUND AND DISCUSSION -- FINDINGS OF FACT

1. Applicant is a public utility subject to the jurisdiction of this Commission.

2. The Commission has jurisdiction over the Application pursuant to the provisions of *Utah Code Ann.* § 54-4-30.

3. It is appropriate under Rule 746-110 and in the public interest that this Application be adjudicated as an informal proceeding pursuant to *Utah Code Ann.* § 63G-4-201.

4. Applicant is a member owned rural electric distribution cooperative providing electric distribution services to customers in Utah and Arizona.

5. Applicant operates pursuant to and under a Certificate of Convenience and Public Necessity No. 1556 issued June 30, 1966; a Supplement to said Certificate issued October 7, 1970; and further additions issued March 2, 1976 and December 20, 1977.

6. Flowell is a member owned rural electric distribution cooperative providing electric distribution services to customers in Millard County, Utah. Flowell operates pursuant to and under a Certificate of Convenience and Public Necessity No. 1573 issued October 4, 1966 (the "Flowell Certificate").

7. For a number of years since entering into a letter of intent in 1999, Applicant and Flowell have contemplated an eventual transaction whereby Applicant would purchase all the utility property plant and equipment, together with associated assets of Flowell, and would thereafter provide electric distribution services to the customers located within the certificated service area of Flowell.

8. On October 7, 2020 DERE A and Flowell executed a final Agreement for Purchase and Sale of Electricity Distribution System (the "Purchase Agreement"). Under the terms of the Purchase Agreement, Applicant will purchase, and Flowell will sell and transfer, substantially all of the Flowell's property, including all electric utility plant and equipment.

9. From and after the acquisition of the Flowell property, Applicant will provide all electric service to the current customers of Flowell, and those customers currently served by Flowell will become members of Applicant.

10. Applicant's acquisition of the Flowell system, and the related transfer/assignment of property, contract rights, etc., has been approved by: the unanimous consent of the governing boards of both Applicant and Flowell; by the affirmative vote of the membership of Flowell; by the secured creditor which holds the long-term indebtedness of Flowell that will be assumed by DERE A as part of the acquisition; and by the Board of Trustees of Deseret.

11. Upon the acquisition of the Flowell system assets, Applicant will assume all liability for repayment of Flowell's outstanding loan indebtedness totalling approximately \$2,918,667.00, together with outstanding accounts payable and other liabilities of Flowell.

12. Upon acquisition of the Flowell property, the rights and obligations granted to Flowell under the Flowell Certificate of Necessity and Convenience will transfer to Applicant, which will thereupon assume the obligations for service to customers in the area set forth therein.

13. Applicant has requested Commission authority to issue certain securities in the form of replacement promissory note(s) and/or other loan assumption agreement(s) in an amount up to \$3,000,000 to assume the outstanding indebtedness of Flowell as part of the acquisition.

CONCLUSIONS OF LAW

14. Applicant's acquisition of substantially all utility plant, property, and equipment, together with associated assets and assumption of all outstanding liabilities, as described herein is in the public interest.

15. Applicant's Certificate of Convenience and Necessity to operate as a public utility should be amended and a Certificate of Convenience and Necessity should be issued to Applicant to serve all the electric needs and requirements of its present and future customers in the areas specifically described in the Exhibit "A" attached hereto.

16. In light of the approval of the Flowell acquisition by unanimous consent of Applicant's board of trustees representing all its member owner/customers, and the approval of the transaction by affirmative vote of the membership of Flowell, as well as the consent of Applicant's secured creditor to the assumption of Flowell's indebtedness for long-term-loan amounts, no additional public notice of this proceeding is required under Rule R746-110-2.

17. Pursuant to Rule 746-110-2, good cause exists to waive the 20-day tentative period for an order issued in an informally adjudicated proceeding. Accordingly, this Order will become final and effective on the date of issuance.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. This matter be adjudicated as an informal proceeding in accordance with Rule 746-110-1 and *Utah Code Ann.* § 63G-4-201.

2. The acquisition by Applicant of the utility property, plant, and equipment of Flowell, as described herein, is hereby approved.

3. Applicant is hereby authorized to execute and to deliver one or more Promissory Note(s), replacement note(s), loan assumption agreement(s) or other instruments to evidence the

assumption of loan indebtedness of Flowell in an amount up to \$3,000,000 as part of the acquisition of the Flowell property.

4. The Certificate of Necessity and Convenience issued to Applicant is hereby reissued and Applicant shall hereafter operate as a public utility serving all the electric needs and requirements of all present and future customers who may now or hereafter be located in the service areas located in Iron, Washington, and Millard Counties, State of Utah, which are described in the Exhibit "B" which is attached hereto and made a part hereof by reference.

5. Applicant is hereby authorized to execute and deliver such other documents and take such other actions as may reasonably be necessary or convenient to the completion of the above- stated transaction.

6. 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.

7. The authority granted herein is effective the date of this Order.

DATED at Salt Lake City, Utah, _____, 2020.

/s/ _____, Chair

/s/ _____, Commissioner

/s/ _____, Commissioner

Attest:

/s/ _____,
Commission Secretary

EXHIBIT "A"
TO
PROPOSED FORM OF REPORT AND ORDER

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Applica-)
tion of DIXIE-ESCALANTE RURAL)
ELECTRIC ASSOCIATION for)
Approval of a plan of consoli-)
dation between Escalante)
Valley Electric Association)
and Dixie Rural Electric)
Association.)

CASE NO. 77-066-01

REPORT AND ORDER

Certificate of Convenience
and Necessity No. 1930.

(Cancels Certificate Nos.
1556 and 1635.)



Submitted: October 26, 1977

Issued: December 20, 1977

Appearances:

Elliott Lee Pratt	For	Applicants
F. Robert Reeder	"	The City of St. George As its interest may appear
Leon A. Halgren Assistant Attorney General	"	Division of Public Utilities, Dept. of Business Regulation, State of Utah

By the Commission:

On August 17, 1977, Applicants, Dixie Rural Electric Association and Escalante Valley Electric Association, filed with the Public Service Commission of Utah their Petition for Approval of their Plan of Consolidation for the two companies to be consolidated into a single company to be known as Dixie-Escalante Rural Electric Association. The matter was heard October 26, 1977 at 10:00 a.m. at the Commission hearing room at 330 East Fourth South, Salt Lake City, Utah pursuant to notice duly given by mail and by publication.

Oral testimony and written exhibits were offered and were received in behalf of the Applicants and oral argument was made by respective counsel. The Commission, being fully advised in the premises, now makes this Report containing its Findings of Fact and Conclusions of Law, together with its Order based thereon.

FINDINGS OF FACT

1. Escalante Valley Electric Association is a duly qualified non-profit corporation in good standing under the laws of Utah. Dixie Rural Electric Association is a qualified non-profit corporation in good standing under the laws of Utah.

Dixie serves an area in Washington County and in Mohave County, Arizona as described in the Certificates of Convenience and Necessity hereinafter set forth. Escalante Valley serves a portion of Iron County and Washington County as described in the Certificate of Convenience and Necessity hereinafter set forth. Each of said Applicants has obtained the necessary franchises to conduct their respective public utility operations in said counties pursuant to ordinances enacted by Washington and Iron Counties. Each of said Applicants has enjoyed the rights and obligations under said franchises and ordinances for over 20 years.

2. Dixie Rural Electric Association operates under the regulation of this Commission pursuant to and under Certificate of Public Convenience and Necessity No. 1556 issued June 30, 1966; under a Supplement to said Certificate of Convenience and Necessity issued in Case No. 5663 on October 7, 1970; and under a further addition to said Certificate No. 1556 in Case No. 5663, Sub 2, issued March 2, 1976. Escalante Valley Electric Association operates under the regulation of this Commission pursuant to and under Certificate of Convenience and Necessity No. 1635, issued by this Commission October 4, 1968.

3. The respective areas described in the above-referenced Certificates of Public Convenience and Necessity are generally shown on a map introduced as Exhibit 1 in this matter, and are described with particularity in the Exhibit which is attached and made a part of this Order by reference. The Escalante Certificated area lies primarily in Iron County with the southernmost portion situate in Washington County. The Dixie area is situate in Washington County generally lying to the south, east, and west of the City of St. George and extending into the northern part of Arizona. The evidence shows that part of Dixie's original certificated area has subsequently been annexed by St. George City, but that said conflicting area is not specifically detailed in Exhibit 1.

4. Both Dixie Rural Electric Association and Escalante Valley Electric Association adopted a Plan of Consolidation through action of their respective Boards of Directors on March 17, 1977. Pursuant to proper notice under provisions of the laws of each company, notices of special meetings of the members of each company were mailed to said membership, together with copies of the Plan of Consolidation, giving notice of a special members meeting to consider and vote upon possible adoption of the Plan of Consolidation. Said Plan of Consolidation was approved by a substantial majority vote of the members, in accordance with the Utah non-profit corporation law and in accordance with the requirements of the By-laws and Articles of Incorporation of each of the companies. Prior to the annual meetings, general information was given to the consumers in the Bloomington area concerning the proposed Plan of Consolidation.

5. The Plan provides for the consolidation of the two companies into a new company to be known as Dixie-Escalante Rural Electric Association, Inc. Said company will assume all benefits and liabilities of each of the individual companies. Capital credits accrued to the consumers of each of the Applicants will be preserved and fixed as of the effective date of the consolidation so that the capital credits will not be prejudiced or in any way reduced by said consolidation. Future allocation of capital credits will commence with the effective date of the consolidation and future refunds of capital credits will be based on the allocations of capital credits historically made for each of the consumers for past years in each of the individual companies. All franchises, rights and obligations of the Applicants will vest in the consolidated company. Existing rates of each Applicant will continue in existence and will remain unchanged until an application for a new rate schedule is made and said schedule is approved by this Commission.

6. The individual wholesale power contracts of the Applicants with Intermountain Consumer Power Association covering power being purchased from the U.S. Bureau of Reclamation shall be combined and vested in the new company without loss of any kind. Consolidation of the two contracted Bureau power allotments will provide a better and more stable load factor for the new company, which should result in decreased cost of power to the benefit and savings of the consumers. The consolidation will eliminate duplication of various management and accounting services; will eliminate duplication of many reports and forms; will eliminate duplication of separate officers and boards of directors; will eliminate inconsistent and conflicting policies existing between the two companies; and should substantially improve the operation and management of the company to the benefit of the public.

7. Dixie's present equity-debt ratio of 12%-88% will be substantially improved to 23%-77% for the consolidated company. The power economy of Escalante will be substantially improved, so the consolidation of the two companies appears to be mutually beneficial to the two companies and their consumers. The company should be financially able to serve the consolidated certificated area and its expected expansion.

8. The Rural Electrification Administration has tentatively approved the consolidation and will grant final approval upon approval of this Commission. The Bureau of Reclamation has approved the consolidation and has put into effect, the consolidated power allocation which has demonstrated an improvement in efficiency of operation under the requirements of the Bureau of Reclamation wholesale power contract.

9. Applicants intend to seek approval of the Consolidation by the Arizona Corporation Commission, as a small portion of the Dixie system is in the State of Arizona. The Plan of Consolidation will go into effect upon approval of the Arizona Corporation Commission.

10. A legal proceeding involving Dixie Rural Electric Association and the City of St. George is pending in the District Court of Washington County. The approval of the consolidation and the transfer of existing certificate and rights thereunder is not intended to increase or decrease those rights or to decide any issue now pending in that Court. All rights and obligations of Dixie in the existing certificate shall be deemed transferred to the new entity. All rights and obligations of Escalante shall be deemed transferred to the new entity. The new entity will assume all rights and responsibilities of the two Applicants.

11. It is in the public interest to approve the consolidation. The combined system appears adequate to serve current customers.

CONCLUSIONS OF LAW

From the foregoing Findings of Fact, the Commission concludes:

1. It appears that the proper steps have been taken to provide for adoption of the proposed Plan of Consolidation, and the Consolidation Plan should be approved. Certificate No. 1556, issued in Case No. 5663 on June 30, 1966, as amended by Supplemental Report and Order of October 5, 1970 and Sub 2 issued March 2, 1976, should be canceled. Certificate 1635, issued on October 4, 1968 in Case No. 5970 should be canceled. Dixie-Escalante Rural Electric Association, Inc. should be issued a new Certificate of Convenience and Necessity to operate as a public utility to serve all the electric needs and requirements of all its present and future customers in the areas specifically described in the Exhibit attached hereto.

2. It appears that the public convenience and necessity will be served by the approval of the Consolidation Plan.

3. The approval by this Commission of the Consolidation Plan shall not be deemed to either increase or decrease the responsibilities or rights of Dixie Rural Electric involved in pending litigation in the District Court of Washington County between it and the City of St. George.

NOW, THEREFORE, IT IS HEREBY ORDERED, That the Plan of Consolidation filed in this matter by Dixie Rural Electric Association and Escalante Valley Electric Association is confirmed and approved, and said companies are authorized to proceed to carry out said consolidation.

IT IS FURTHER ORDERED, That all rights and liabilities of each of the Applicants under their respective Certificates of Public Convenience and Necessity are hereby transferred and combined, and shall be reissued without further proceeding in the name of Dixie-Escalante Rural Electric Association, Inc. as Certificate of Convenience No. 1930. Copies of this Order shall be filed and made a part of the files in Case No. 5663 and No. 5970. Dixie-Escalante Rural Electric Association, Inc. shall hereafter operate as a public utility serving all the electric needs and requirements of all present and future customers who may now or hereafter be located in the service areas located in Iron and Washington Counties, State of Utah, which are described with particularity in the Exhibit which is attached hereto and made a part hereof by reference.

IT IS FURTHER ORDERED, That Dixie-Escalante Rural Electric Association, Inc. shall comply with all the rules and regulations of this Commission and the laws of the State of Utah pertaining to public utilities, and shall file with this Commission all documents evidencing completion of the consolidation, including all reports and filings required to effect the consolidation.

IT IS FURTHER ORDERED, That this Order is effective from date hereof, also approval of the Plan of Consolidation by the Arizona Corporation Commission, which approval shall be filed with this Commission.

DATED at Salt Lake City, Utah this 20th day of December, 1977.

/s/ Olof E. Zundel, Commissioner

/s/ Kenneth Rigtrup, Commissioner

Attest:

/s/ Victor N. Gibb, Secretary

Chairman Milly O. Bernard did not participate herein.

EXHIBIT

DIXIE AREAS, WASHINGTON COUNTY, CERTIFICATE 1556

Case No. 5663 issued June 30, 1966:

Dixie's Old Basic Area

Beginning at the southwest corner of Section 34, Township 43 South, Range 16 West, Salt Lake Base and Meridian, and running thence north 8 miles more or less to the northwest corner of Section 27, Township 42 South, Range 16 West, Salt Lake Base and Meridian; thence east two miles more or less to the northeast corner of Section 26, Township 42 South, Range 16 West, Salt Lake Base and Meridian; thence south to the southeast corner of said Section 26; thence east four miles more or less to the southwest corner of Section 27, Township 42 South, Range 15 West, Salt Lake Base and Meridian; thence north to the northwest corner of said Section 27; thence east to the northeast corner of said Section 27; thence north along the west section line of Section 23, Township 42 South, Range 15 West, Salt Lake Base and Meridian to a point on said section line due west of the center of the "Washington Field Bridge" crossing the Virgin River in said Section 23; thence east to the center line of said bridge, thence northeasterly along the center line of the Virgin River to the point where the center line of said river intersects with the east Section line of said Section 23, thence south 2-3/4 miles more or less to the southwest corner of Section 36, Township 42 South, Range 15 West, Salt Lake Base and Meridian; thence east to the southeast corner of said Section 36; thence south six miles more or less to the southeast corner of Section 36, Township 43 South, Range 15 West, Salt Lake Base and Meridian, which point is on the state boundary line between the State of Utah and the State of Arizona; thence west nine miles more or less, along said state boundary line to the point of beginning.

Berry - Springs Extension

Beginning at the east quarter section corner of Section 6, Township 42 South, Range 13 West, Salt Lake Base and Meridian; and running thence west 2.2 miles more or less along the quarter section lines of Section 6, Township 42 South, Range 13 West, Sections 1 and 2, Township 42 South, Range 14 West, to a point where the center line of Utah Highway Number 17 intersects with the east-west quarter Section line of Section 2, Township 42 South, Range 14 West, Salt Lake Base and Meridian; thence westerly along the center line of said Utah Highway Number 17 to the center line of the bridge on said Utah Highway Number 17 crossing the Virgin River in Section 2, Township 42 South, Range 14 West, Salt Lake Base and Meridian; thence southwesterly in a straight line to the northwest corner of Section 19, Township 42 South, Range 14 West, Salt Lake Base and

Meridian; thence south on the west section line of Section 19 to the point where said section line intersects with the center line of the Virgin River; thence westerly along the center line of said Virgin River to a point where said river intersects with the west section line of Section 24, Township 42 South, Range 15 West, Salt Lake Base and Meridian; thence south along the west section line two miles more or less to the southwest corner of Section 25, Township 42 South, Range 15 West; thence east along the south section line of Section 25 Township 42 South, Range 15 West, and Sections 30, 29 and 28, Township 42 South, Range 14 West, to the southeast corner of Section 28; thence north along the east section line of said Section 28 to the southwest corner of Section 22, thence east to the southeast corner of said Section 22, thence north along the east section line of said Section 22, to the southwest corner of Section 14, thence east along the south section line of Sections 14 and 13, Township 42 South, Range 14 West, and Section 18, Township 42 South, Range 13 West, Salt Lake Base and Meridian; to the southeast corner of said Section 18, thence north 2.5 miles more or less to the point of beginning.

The Berry Springs area or the new Dixie area as above described touches, adjoins and is contiguous to Dixie's "old service area" or the "old basic area" as heretofore described, on a line running south beginning at a point where the Virgin River intersects the west boundary of Section 24, Township 42 South, Range 15 West, along the west section line of Sections 24 and 25 to the southwest corner of Section 25.

Case No. 5663 Supp. Report and Order, issued October 5, 1970

Beginning at the South 1/4 corner of Section 22, Township 42 South, Range 16 West; thence North to the middle of said Section 22; thence East approximately 1-1/2 miles through the middle of Sections 22 and 23, to the East 1/4 corner of Section 23; thence South 1/2 mile to the Southeast corner of Section 23; thence West approximately 1-1/2 miles along the South boundary of Sections 23 and 22 to the point of beginning.

Case No. 5663, Sub. 2, issued March 2, 1976

Beginning at the NE corner Section 24, T42S, R 14W, SLB&M; and running thence W to the NW cor. Sec. 23, T42S, R 14W, SLB&M, th. S to the NE cor. of Sec. 27, said township and range; th. W to the NW cor. of said section; th. S to the SW cor. of said section; th. W to the NW cor. Sec. 31, said township and range, th. S to the NE cor. Sec. 36, T42S, R 15W, SLB&M; th. W to the NW cor. of said section th. S to the SW cor. of said section; th. E to the SE cor. of said section; th. S to the SW cor. of Sec. 30, T43S, R 14W, SLB&M; th. E to the SE cor. said section; th. S to the Utah-Arizona border; th. E along said border to the SE cor. Sec. 36, T43S, R 14W, SLB&M; th. N to the Point of beginning.

(Arizona Areas Not Listed)

ESCALANTE VALLEY ELECTRIC ASSOCIATION INC. CERTIFICATE 1635

Case No. 5970, Iron and Washington Counties, issued October 4, 1968

Beginning at a point which is the Northwest corner of Iron County and which point is also located and described as intersection of the North boundary of Township 31 South of the Salt Lake Base and Meridian, which boundary is also the joint Beaver County-Iron County line with the joint Lincoln County, Nevada and Iron County, Utah, line; and running thence East on the Beaver County-Iron County line to the Northeast corner of Section 1, Township 31 South, Range 15 West; thence South along the Township line to the Southwest corner of Section 18, Township 34 South, Range 14 West; thence East to the Northeast corner of Section 21, Township 34 South, Range 14 West; thence South to the Southeast corner of Section 33, Township 35 South, Range 14 West, which corner is on the 7th standard parallel South, thence West to the Southeast corner of Section 32, Township 35 South, Range 14 West; thence South to the Southeast corner of Section 32, Township 36 South, Range 14 West; thence West to the Northwest corner of Section 6, Township 37 South, Range 14 West; thence South to the Southwest corner of Section 31, Township 37 South, Range 14 West; thence East to the Northeast corner of Section 1, Township 38 South, Range 14 West; thence South to the Southeast corner of Section 36, Township 38 South, Range 14 West; thence West to the Northeast corner of Section 1, Township 39 South, Range 14 West; thence South to the Southeast corner of Section 12, Township 40 South, Range 14 West; thence West to the Northwest corner of Section 18, Township 40 South, Range 15 West, which corner is on the Pine Valley Guide Meridian; thence North to the Northeast corner of Section 13, Township 37 South, Range 16 West; thence West to the North quarter corner of Section 15, Township 37 South, Range 16 West; thence North to the center of Section 15, Township 36 South, Range 16 West; thence West 660 feet; thence North 7,920 feet to the North line of Section 10 of said Township; thence West to the Northwest corner of said Section 10; thence North to a point 3,960 feet South of the North line of Section 4; thence West to the West line of said Section 4; thence North 1,980 feet; thence West 3,960 feet; thence South 1,980 feet; thence West to the North-South center line of Section 1, Township 36 South, Range 17 West; thence South to the South quarter corner of Section 12, Township 36 South, Range 17 West; thence West to the Southwest corner of Section 11, Township 36 South, Range 17 West; thence South to the Southeast corner of Section 34, Township 36 South, Range 17 West, which

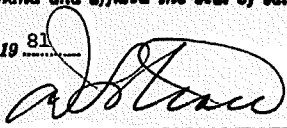
point is on the Iron County-Washington County line; thence West along said County line to the Nevada border; thence North along the Nevada-Utah line to the point of beginning.

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

STATE OF UTAH }
County of Salt Lake } ss.

I hereby certify that the foregoing consisting of.....Ten.....pages numbered 1 to 10
inclusive, is a true and correct copy of the original.....REPORT AND ORDER, Case No. 77-066-01,
.....
.....In the Matter of the Application of DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION
.....
.....for Approval of a plan of consolidation between Escalante Valley Electric
.....
.....Association and Dixie Rural Electric Association.....
.....
.....in the foregoing entitled matter or cause, now of record or on file in the office of the Public Service Commission
.....
.....of Utah.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Commission this.....
.....17th..... day of March 19 81.....



Secretary of said Commission.

EXHIBIT "B"
TO
PROPOSED FORM OF REPORT AND ORDER

Exhibit "B"

CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 1556
Dixie Escalante Rural Electric Association

MILLARD COUNTY, UTAH SERVICE AREA:

Flowell Electric Association Acquired Service Area:

The South one-half of Township 20 South, Range 5 West, Salt Lake Meridian.

All of Township 21 South, Range 4 West, Salt Lake Meridian.

All of Township 21 South, Range 5 West, Salt Lake Meridian.

All of Township 21 South, Range 6 West, Salt Lake Meridian.

All of Township 22 South, Range 5 West, Salt Lake Meridian, except for one customer served by Utah Power & Light Company in Section 14.

All of Township 22 South, Range 6 West, Salt Lake Meridian.

All of Township 23 South, Range 5 West, Salt Lake Meridian.

All of Township 23 South, Range 6 West, Salt Lake Meridian.

Excepted are the areas embraced within the present corporate municipal boundaries of Fillmore, Meadow, and Kanosh, respectively, which are located within the above described townships.

The certificate herein issued shall in no wise interfere with the right of Utah Power & Light Company to continue serving an existing customer in Section 14, Township 22 South, Range 5 West, Salt Lake Meridian, or to continue the operation of the transmission facilities now owned by it within the Millard County, Utah service area of Dixie Escalante Rural Electric Association.

WASHINGTON and IRON COUNTIES, UTAH SERVICE AREA

Case No. 5663 issued June 30, 1966:

Dixie's Old Basic Area

Beginning at the southwest corner of Section 34, Township 43 South, Range 16 West, Salt Lake Base and Meridian, and running thence north 8 miles more or less to the northwest corner of Section 27, Township 42 South, Range 16 West, Salt Lake Base and Meridian; thence east two miles more or less to the northeast corner of Section 26, Township 42 South, Range 16 West, Salt Lake Base and Meridian; thence south to the southeast corner of said Section 26; thence east four miles more or less to the southwest corner of Section 27, Township 42 South, Range 15 West, Salt Lake Base and Meridian; thence north to the northwest corner of said Section 27; thence east to the northeast corner of said Section 27; thence north along the west section line of Section 23, Township 42 South, Range 15 West, Salt Lake Base and Meridian to a point on said section line due west of the center of the "Washington Field Bridge" crossing the Virgin River in said Section 23; thence east to the center line of said bridge, thence northeasterly along the center line of the Virgin River to the point where the center line of said river intersects with the east Section line of said Section 23, thence south 2-3/4 miles more or less to the southwest corner of Section 36, Township 42 South, Range 15 West, Salt Lake Base and Meridian; thence east to the southeast corner of said Section 36; thence south six miles more or less to the southeast corner of Section 36, Township 43 South, Range 15 West, Salt Lake Base and Meridian, which point is on the state boundary line between the State of Utah and the State of Arizona; thence west nine miles more or less, along said state boundary line to the point of beginning.

Berry – Springs Extension

Beginning at the east quarter section corner of Section 6, Township 42 South, Range 13 West, Salt Lake Base and Meridian; and running thence west 2.2 miles more or less along the quarter section lines of Section 6, Township 42 South, Range 13 West, Sections 1 and 2, Township 42 South, Range 14 West, to a point where the center line of Utah Highway Number 17 intersects with the east-west quarter Section line of Section 2, Township 42 South,

Range 14 West, Salt Lake Base and Meridian; thence westerly along the center line of said Utah Highway Number 17 to the center line of the bridge on said Utah Highway Number 17 crossing the Virgin River in Section 2, Township 42 South, Range 14 West, Salt Lake Base and Meridian; thence southwesterly in a straight line to the northwest corner of Section 19, Township 42 South, Range 14 West, Salt Lake Base and Meridian; thence south on the west section line of Section 19 to the point where said section line intersects with the center line of the Virgin River; thence westerly along the center line of said Virgin River to a point where said river intersects with the west section line of Section 24, Township 42 South, Range 15 West, Salt Lake Base and Meridian; thence south along the west section line two miles more or less to the southwest corner of Section 25, Township 42 South, Range 15 West; thence east along the south section line of Section 25 Township 42 South, Range 15 West, and Sections 30, 29 and 28, Township 42 South, Range 14 West, to the southeast corner of Section 28; thence north along the east section line of said Section 28 to the southwest corner of Section 22, thence east to the southeast corner of said Section 22, thence north along the east section line of said Section 22, to the southwest corner of Section 14, thence east along the south section line of Sections 14 and 13, Township 42 South, Range 14 West, and Section 18, Township 42 South, Range 13 West, Salt Lake Base and Meridian; to the southeast corner of said Section 18, thence north 2.5 miles more or less to the point of beginning.

The Berry Springs area or the new Dixie area as above described touches, adjoins and is contiguous to Dixie's "old service area" or the "old basic area" as heretofore described, on a line running south beginning at a point where the Virgin River intersects the west boundary of Section 24, Township 42 South, Range 15 West, along the west section line of Sections 24 and 25 to the southwest corner of Section 25.

Case No. 5663 Supp. Report and Order, issued October 5, 1970

Beginning at the South $\frac{1}{4}$ corner of Section 22, Township 42 South, Range 16 West; thence North to the middle of said Section 22; thence East approximately 1-1/2 miles through the middle of Sections 22 and 23, to the East $\frac{1}{4}$ corner of Section 23; thence South 1/2 mile to the Southeast corner of Section 23; thence West

approximately 1-1/2 miles along the South boundary of Sections 23 and 22 to the point of beginning.

Case No. 5663, Sub. 2, issued March 2, 1976

Beginning at the NE corner Section 24, T42S, R 14W, SLB&M; and running thence W to the NW cor. Sec. 23, T42S, R 14 W, SLB&M, th. S to the NE cor. of Sec. 27, said township and range; th. W to the NW cor. of said section; th. S to the SW cor. of said section; th. W to the NW cor. Sec. 31, said township and range, th. S to the NE cor. Sec. 36, T42S, R 15W, SLB&M; th. W to the NW cor. of said section th. S to the SW cor. of said section; th. E to the SE cor. of said section; th. S to the SW cor. of Sec. 30, T43S, R 14W, SLB&M; th. E to the SE cor. said section; th. S to the Utah-Arizona border; th. E along said border to the SE cor. Sec. 36, T43S, R 14W, SLB&M; th. N to the Point of beginning.

(Arizona Areas Not Listed)

ESCALANTE VALLEY ELECTRIC ASSOCIATION INC. (CERTIFICATE 1635) Acquired Service Area:

Case No. 5970, Iron and Washington Counties, issued October 4, 1968

Beginning at a point which is the Northwest corner of Iron County and which point is also located and described as intersection of the North boundary of Township 31 South of the Salt Lake Base and Meridian, which boundary is also the joint Beaver County-Iron County line with the joint Lincoln County, Nevada and Iron County, Utah, line; and running thence East on the Beaver County-Iron County line to the Northeast corner of Section 1, Township 31 South, Range 15 West; thence South along the Township line to the Southwest corner of Section 18, Township 34 South, Range 14 West; thence East to the Northeast corner of Section 21, Township 34 South, Range 14 West; thence South to the Southeast corner of Section 33, Township 35 South, Range 14 West, which corner is on the 7th standard parallel South, thence West to the Southeast corner of Section 32, Township 35 South, Range 14 West; thence South to the Southeast corner of Section 32, Township 36 South, Range 14 West; thence West to the Northwest corner of Section 6, Township 37 South, Range 14 West; thence South to the

Southwest corner of Section 31, Township 37 South, Range 14 West; thence East to the Northeast corner of Section 1, Township 38 South, Range 14 West; thence South to the Southeast corner of Section 36, Township 38 South, Range 14 West; thence West to the Northeast corner of Section 1, Township 39 South, Range 14 West; thence South to the Southeast corner of Section 12, Township 40 South, Range 14 West; thence West to the Northwest corner of Section 18, Township 40 South, Range 15 West, which corner is on the Pine Valley Guide Meridian; thence North to the Northeast corner of Section 13, Township 37 South, Range 16 West; thence West to the North quarter corner of Section 15, Township 37 South, Range 16 West; thence North to the center of Section 15, Township 36 South, Range 16 West; thence West 660 feet; thence North 7,920 feet to the North line of Section 10 of said Township; thence West to the Northwest corner of said Section 10; thence North to a point 3,960 feet South of the North line of Section 4; thence West to the West line of said Section 4; thence North 1,980 feet; thence West 3,960 feet; thence South 1,980 feet; thence West to the North-South center line of Section 1, Township 36 South, Range 17 West; thence South to the South quarter corner of Section 12, Township 36 South, Range 17 West; thence west to the Southwest corner of Section 11, Township 36 South, Range 17 West; thence South to the Southeast corner of Section 34, Township 36 South, Range 17 West, which point is on the Iron County-Washington County line; thence West along said County line to the Nevada border; thence North along the Nevada-Utah line to the point of beginning.