

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Garkane Energy Cooperative, Inc. for Authority to Issue Securities in the Form of a Loan Agreement and Secured Promissory Note	<u>DOCKET NO. 22-028-04</u> <u>ORDER</u>
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ISSUED: January 20, 2023

On December 14, 2022, pursuant to Utah Code Ann. § 54-4-31, Garkane Energy Cooperative, Inc. (“GEC”) filed a verified application (“Application”) with the Public Service Commission (PSC) for approval to (1) issue securities in the form of a Loan Agreement with a Secured Promissory Note to the National Rural Utilities Cooperative Finance Corporation in an amount up to \$20,000,000, and (2) enter into agreements and arrangements and deliver documents reasonably necessary or incident to entering into the Loan Agreement (collectively, the “Loan Agreement”). GEC states its Board of Directors approved the Loan Agreement in a noticed meeting held April 26, 2022 and intends to use the funds for infrastructure construction to service its members. GEC also requests informal adjudication of the Application, and a determination that no additional public notice of this proceeding is required, under Utah Admin. Code R746-110-1.

The PSC provided public notice of the opportunity for any interested person to file comments by January 10, 2023. The Division of Public Utilities (DPU) filed comments on January 6, 2023, addressing the Application. Based on an analysis of GEC’s Application, and its audited financial statements for years 2018 through 2021, DPU states GEC will be able to meet its obligations under the Loan Agreement. In reaching that determination, DPU comments GEC has been able to increase its equity position despite the investment in its infrastructure to meet customer growth, meets its current obligations and should be able to meet its future obligations

including this proposed loan. Based on these factors and GEC's past performance, DPU recommends the PSC approve the Application. No other party filed comments on the Application.

DISCUSSION, FINDINGS, AND CONCLUSIONS

Based on the PSC's review of GEC's Application, the Loan Agreement, DPU's comments and recommendation, and the absence of any opposition, the PSC finds approving the Application is in the public interest. GEC represents it will use the proceeds of the proposed loan to help finance the construction of new transmission and distribution infrastructure, buildings, and related facilities to properly service its members. Additionally, GEC's Board approved the Loan Agreement and, based on DPU's comments, is capable of meeting its financial obligations under the Loan Agreement and otherwise.

The PSC further finds good cause exists for adjudicating this matter informally, that the Application satisfies the requirements for informal adjudication under Utah Admin. Code R746-110-1, and that GEC has established good cause to waive the 20-day tentative period for issuing a final order.

ORDER

1. We convert this matter to an informal adjudication pursuant to Utah Admin. Code R746-110-1.
2. We approve GEC's Application, effective January 20, 2023.
3. We waive the 20-day tentative period for good cause; this is a final order pursuant to Utah Admin. Code R746-110-2.

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DATED at Salt Lake City, Utah, January 20, 2023.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#326646

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 Commission 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 Commission does not grant a request for review or rehearing within 30 days after the filing of the request, it is deemed denied. Judicial review of the Commission'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 January 20, 2023, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

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