

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Moon Lake Electric Association, Inc. for Authority to Issue Securities in the Form of a Loan Agreement and Secured Promissory Note	<u>DOCKET NO. 22-030-01</u> <u>ORDER</u>
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ISSUED: April 28, 2022

On April 6, 2022, pursuant to Utah Code Ann. § 54-4-31, Moon Lake Electric Association, Inc. (“Moon Lake”) filed a verified application (“Application”) with the Public Service Commission of Utah (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 \$35,000,000, and (2) enter into agreements and arrangements and deliver documents reasonably necessary or incident to entering into the Loan Agreement (collectively, the “Loan Agreement”). Moon Lake states that its Board of Directors authorized it to enter into the Loan Agreement in a telephonic meeting on March 9, 2022. This authorization was ratified during a duly noticed regular board meeting held March 23, 2022. Moon Lake further 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.

We provided public notice of the opportunity for any interested person to file comments by April 21, 2022. The Division of Public Utilities (DPU) filed comments on April 21, 2022 addressing the Application. Based on an analysis of Moon Lake’s Application, and its audited financial statements for years ending December 31, 2017 through December 31, 2021, DPU states that Moon Lake will be able to meet its obligations under the Loan Agreement. In reaching that determination, DPU comments that Moon Lake has seen a 9.24% net income growth, a

2.36% decrease in long-term debt and a strong cash flow position from 2017 through 2021.

Based on these factors and Moon Lake's past performance, DPU recommends the PSC approve the Application. No other party filed comments addressing the Loan Agreement.

DISCUSSION, FINDINGS, AND CONCLUSIONS

Based on the PSC's review of Moon Lake'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. Moon Lake represents that it will use the proceeds of the proposed loan to help finance the construction of new transmission and distribution infrastructure, buildings, and related facilities that will improve redundancy and accommodate expected load growth in Moon Lake's service territory. In addition, Moon Lake'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.

Moon Lake requests that the PSC issue a final Order approving the issuance of securities as soon as reasonably convenient to allow it to meet National Rural Utilities Cooperative Finance Corporation deadlines. In addition, Moon Lake comments that the project that it plans to finance with the funds from the Agreement will allow electrification of industrial customers that will reduce emissions in the Uintah Basin. The PSC finds that 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 Moon Lake 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 Moon Lake's Application, effective April 28, 2022.
3. We waive the 20-day tentative period for good cause; this is a final order pursuant to Utah Admin. Code R746-110-2.

DATED at Salt Lake City, Utah, April 28, 2022.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#323756

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 April 28, 2022, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

Phillip J. Russell (prussell@jdrslaw.com)
JAMES DODGE RUSSELL & STEPHENS, P.C.

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

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

Alyson Anderson (akanderson@utah.gov)
Bela Vastag (bvastag@utah.gov)
Alex Ware (aware@utah.gov)
(ocs@utah.gov)
Office of Consumer Services

Administrative Assistant