

Exhibit A

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of }
GARKANE POWER ASSOCIATION, INC., for }
an exclusive area certificate of }
public convenience and necessity. }

CASE NO. 5624 Sub 2

REPORT AND ORDER

Submitted: December 16, 1975

Issued: April 29, 1976

Appearances:

Elliott Lee Pratt	For	Garkane Power Association, Inc., Applicant
Brinton R. Burbidge Assistant Attorney General	"	Division of Public Utilities, Department of Business Regulation, State of Utah

By the Commission:

Pursuant to the above applicant's application submitted July 1, 1975, and pursuant to notice duly given by mail and publication, the above-entitled matter came on regularly for hearing at the scheduled time, December 16, 1975, at the hour of 10:00 a.m. before A. Robert Thurman, a duly appointed hearing examiner for the Public Service Commission of Utah. For hearing purposes the case was consolidated with Case No. 7137, the subject of a separate Report and Order.

Evidence was offered and received, and the hearing examiner, based on the evidence and being fully advised in the premises, now makes this Report containing Findings of Fact, Conclusion, and Order.

FINDINGS OF FACT

1. Applicant is a non-profit corporation of the State of Utah and is in good standing.
2. Since August 28, 1959, Applicant has held Certificate of Public Convenience and Necessity No. 1664, pursuant to which Applicant has been authorized to serve existing customers and future customers along its existing system and appropriate extensions thereof.
3. Applicant has some hydro-electric generating capacity of its own at Boulder, Garfield County, and has contracts for the purchase of power from the Federal Bureau of Reclamation and from Utah Power and Light Co. These resources appear adequate to serve Applicant's present customers and the growth in non-industrial energy demand reasonably to be anticipated in the area in which Applicant seeks to be certificated.

4. The instant application has been filed in conformity with a stipulation introduced and received in evidence herein, entered into between applicant herein and Utah Power & Light Company, (hereafter called "UP&L") which is the applicant in Case No. 7137. The pertinent provisions of said stipulation insofar as the instant applications are concerned, are contained in paragraphs 2, 3, 4 and 5 thereof and provide after issuance by the Commission of a certificate to applicant in the instant case and to UP&L in Case No. 7137, UP&L will supply service to the Kaiparowits project for construction power and permanent service to the coal mine supplying such project and may also supply service to any project within applicant's certificated area if such project is substantially owned by UP&L; applicant will supply service for the coal mining, pumping and preparation plant at Alton, Utah, for the Warner Allen project, and UP&L shall serve those additional loads in applicant's service area which meet both of the following conditions:

- A. The loads served from a single delivery point which can reasonably be expected to exceed 15,000 kw within five years of the date of initial service.
- B. Applicant could not serve the load with power obtained from sources other than UP&L or from parties whose supply source for power with which to supply Applicant's load is UP&L.

5. Subsequent to the hearings herein serious doubt has arisen as to whether the Kaiparowits project shall proceed as contemplated.

6. Applicant has obtained operating franchises from Kane, Garfield, Sevier, Iron and Washington Counties.

7. Applicant has financing sources available to it consisting in lines of credit from the Federal Rural Electrification Administration and the National Rural Utilities Cooperative Finance Corporation.

8. [Since 1969 Applicant's financial stability has been steadily improving as evidenced by a steady increase in customers, resources, and the ratio of equity to debt, which at this writing compares favorably with other cooperatives of similar size and resources.] Details of this growth are

contained in Applicant's exhibit Nos. 16, 17, 18 and 19 which were not controverted and copies of which are annexed hereto and incorporated by this reference.

9. Applicant has achieved a degree of financial stability and strength sufficient to justify an area certificate.

10. The area certificate here sought is necessary to facilitate Applicant's financing and to justify its making expenditures for planning future expansion.

CONCLUSION

The public convenience and necessity dictate that the certificate here sought be issued.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, That Certificate of Public Convenience and Necessity No. 1664 be, and the same hereby is amended authorizing Applicant herein to supply electric service within the service area described in its application, to wit:

Beginning at a point where the Colorado River intersects the Utah-Arizona Border; thence West along said Border to the South East corner of T44S, R6W, S.L.B.M.; thence North to the North East corner of Sec. 13, T43S, R6W, S.L.B.M.; thence West to the point where the Kanab Creek crosses the East-West line between Sec. 8 and 17, T43S, R6W, S.L.B.M.; thence South along the course of the Kanab Creek to the point where Kanab Creek crosses the Utah-Arizona Border; thence West along said Border to the Southeast corner of T43S, R11W, S.L.B.M.; thence North to the Northeast corner of T43S, R11W, S.L.B.M.; thence East to the West Boundary line of Kane County; thence North to the North West corner of T40S, R9W, S.L.B.M.; thence East to the Southeast corner T39S, R8W, S.L.B.M.; thence North to the Northeast corner of T38S, R8W, S.L.B.M.; thence West to the Southwest corner of Sec. 36, T37S, R8W, S.L.B.M.; thence North to the Northwest corner of Sec. 24, T36S, R8W, S.L.B.M.; thence East to the Southeast corner of Sec. 16, T36S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T36S, R6W, S.L.B.M.; thence East to the Southeast corner of T35S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 19, T35S, R5W, S.L.B.M.; thence East to the Southeast corner of Sec. 16, T35S, R5W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T35S, R5W, S.L.B.M.; thence East to the West Fork of the Sevier River; thence North Westerly along said River to the point of intersection with the South line of Sec. 16, T34S, R5W, S.L.B.M.; thence West to the Southwest corner of Sec. 18, T34S, R5W, S.L.B.M.; thence North to the Northwest corner of T34S, R5W, S.L.B.M.; thence West to the Southwest corner of Sec. 35, T33S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 2, T33S, R6W, S.L.B.M.; thence East to the Southeast corner of T32S, R6W, S.L.B.M.; thence North to the Southeast corner of Sec. 24, T32S, R6W, S.L.B.M.; thence West to the Southwest corner of Sec. 24, T32S, R6W, S.L.B.M.; thence North to the 1/4 corner between Sec. 13 and 14, T32S, R6W, S.L.B.M.; thence East through the center of Sec. 13, to the East 1/4 corner of Sec. 13, T32S, R6W, S.L.B.M.; thence North to the Northwest corner of Sec. 13, T32S, R5-1/2 W, S.L.B.M.; thence East to the Southeast corner of Sec. 9, T32S, R5W, S.L.B.M.; thence North to the Northwest corner of Sec. 3, T32S, R5W, S.L.B.M.; thence East to the Southeast corner of Sec. 34, T31S, R2-1/2W, S.L.B.M.; thence North to the

Northwest corner of Sec. 2, T26S, R3W, S.L.B.M.; thence East to the Southwest corner of Sec. 36, T25S, R2W, S.L.B.M.; thence North to the Northwest corner of Sec. 13, T24S, R2W, S.L.B.M.; thence East to the Northeast corner of Sec. 13, T24S, R1E, S.L.B.M.; thence South to the Southeast corner of T24S, R1E, S.L.B.M.; thence East to the Northeast corner of T25S, R2E, S.L.B.M.; thence South to the North Boundary of Wayne County, Utah; thence East along said County line to the Northeast corner of T27S, R12 E, S.L.B.M.; thence South to the Southeast corner of T30S, R12E, S.L.B.M.; thence West to the Northeast corner of T31S, R8E, S.L.B.M.; thence South to the South Boundary of Garfield County; thence West along said County line to the Southeast corner of T37S, R4E, S.L.B.M.; thence South to the Southeast corner of T42S, R4E, S.L.B.M.; thence East to the Northeast corner of T43S, R6E, S.L.B.M.; thence South to the center of the Colorado River; thence Southwesterly along the center of the Colorado River to the Utah-Arizona Border, which point is the point of beginning.

PROVIDED, HOWEVER, That within said certificated area Utah Power & Light Company will supply service to the Kaiparowits project for construction power and permanent service to the coal mine supplying such project should such project proceed, and may also supply service to any project within said area except for the town or city to be developed in connection with the Kaiparowits Project, if such project is substantially owned by Utah Power & Light Company; Applicant will supply service for the coal mining, pumping and preparation plant at Alton, Utah, for the Warner Allen project, and Utah Power & Light Company shall serve those additional loads in applicant's service area which meet both of the following conditions:

- A. The loads served from a single delivery point which can reasonably be expected to exceed 15,000 kw within five years of the date of initial service.
- B. Applicant could not serve the load with sources other than Utah Power & Light Company or from parties whose supply source for power with which to supply Applicant's load is Utah Power & Light Company.

IT IS FURTHER ORDERED, That said amended certificate shall be effective on and from the date of this order.

Dated at Salt Lake City, Utah, this 29th day of April, 1976.

/s/ A. Robert Thurman, Hearing Examiner

The above Report and Order is hereby approved and confirmed by the Public Service Commission of Utah.

CASE NO. 5624 Sub 2

- 5 -

/s/ Frank S. Warner, Chairman

(SEAL)

/s/ Olof E. Zundel, Commissioner

/s/ Milly Bernard, Commissioner

Attest:

/s/ Ronald E. Casper, Secretary