

Redacted

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Casey J. Coleman, Utility Technical Consultant

Date: May 22, 2026

Re: **Docket No. 26-506-03, 26-022-03, 26-066-02, 26-028-02, 26-030-03, and 26-031-02** Application of Deseret Generation and Transmission Co-Operative, Bridger Valley Electric Association, Dixie-Escalante Rural Electric Association, Garkane Power Association, Moon Lake Electric Association, Inc., and Mount Wheeler Power, Inc. for Authority to Issue Securities in the form of a Second Amendment to the Fourth Amended and Restated Revolving Credit Agreement and Secured Promissory Note.

Recommendation (Approve)

The Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) approve the request and authorize Deseret Generation and Transmission Co-Operative, Bridger Valley Electric Association, Dixie-Escalante Rural Electric Association, Garkane Power Association, Moon Lake Electric Association, Inc., and Mount Wheeler Power, Inc. (Members or Deseret) to issue securities in the form of a [REDACTED] secured promissory note with National Rural Utilities Cooperative Finance Corporation (CFC). This loan extends the 2018 Line of Credit approved by the Commission in its Report and Order dated July 27, 2018, in Docket No. 18-506-01¹ through [REDACTED] [REDACTED]

¹ The Original application by Deseret and the other Electric Companies included the following Docket Numbers: 18-506-01, 18-022-01, 18-066-02, 18-027-02, 18-028-01, 18-030-02, and 18-031-01.



Issue

Pursuant to Utah Code Ann. § 54-4-31, the Members request an Order approving and authorizing the issuance of securities that extends the 2018 Line of Credit approved by the Commission between Members and CFC. The Commission issued an Action Request on May 8, 2026, for the Division to review the application and make recommendations, with an ASAP due date. Subsequently, the Commission issued a Notice of Filing and Comment Period where interested parties could provide comments by Monday June 8, 2026. This memorandum represents the Division's response to the Commission's Action Request.

Background

"Deseret is a Utah not-for-profit corporation organized and operating as a wholesale electric generation and transmission cooperative. Deseret supplies and transmits electric power and energy for the benefit of its member-consumers and non-member contract patrons. Much of the electric service provided by Deseret is transmitted for use in primarily rural, agricultural areas in the State of Utah and surrounding states. As a rural electric generation transmission cooperative, Deseret has no stock, shareholders, or investors. It is governed by democratically selected directors elected from among its electric consumers. Deseret is regulated as a public utility under Utah and federal law."²

Discussion

The Division has reviewed the Verified Application for Authority to Issue Securities in the form of an Extended Line of Credit and Secured Promissory Note (Application).

The Application states:

1. The Extended Line of Credit was negotiated and structured in the public interest to avoid any adverse impact or risk to Deseret or Deseret's Members.³
2. All five members on Deseret's Board of Trustees have approved the terms of the Extended Line of Credit.⁴

² Deseret Application, May 7, 2026, page 3.

³ *Ibid.* at Page 6.

⁴ *Ibid.* at Page 6.

3. The financial position of Deseret will be strengthened, and Deseret will be better able to respond to opportunities in the market. The financial benefit of the transaction will increase Deseret's ability to respond to potential working capital cash demands during the coming months and years. "The Extended Line of Credit will help avoid or delay financings that might otherwise become necessary and from time to time in support of ongoing operations."⁵
4. The Board's approval of the extension of the line of credit occurred at a duly noticed public meeting.⁶

Conclusion

The Division has reviewed and analyzed the Application and exhibits. The Division recommends that the Commission approve the request to extend the Line of Credit.

cc: Phillip J. Russell, James Dodge Russell & Stephens, P.C.
Michele Beck, Director, Office of Consumer Services
Service List

⁵ *Ibid.* at Page 6.

⁶ *Ibid.* at Page 3.