

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of GARKANE)
ENERGY to Approve Long Term Financing with)
the National Rural Utilities Finance Corporation)

DOCKET NO. 03-028-01

ORDER

ISSUED: December 5, 2003

By The Commission:

Garkane Energy ("Applicant") filed its application October 27, 2003, for approval of a \$10,000,000 loan-financing arrangement with the National Rural Utilities Finance Corporation. This financing package is a CFC "Power Vision" loan which allows Applicant to draw against the loan amount for capital as needed for project financing. Applicant will use the financing for its four-year construction work plan, roll over its current line of credit and possibly use the funding to acquire Kanab City's municipal electric system, if approved by the citizens of Kanab. Applicant's Board of Directors approved this financing package on September 22, 2003, at their regularly scheduled meeting. The original application was referred for review to the Division of Public Utilities, Utah Department of Commerce (DPU), which filed a memorandum November 19, 2003, recommending approval of the proposal.

The financing appearing to be in the public interest and no opposition having been received, the Commission enters the following

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

- The Application for approval of the long-term financing package, as described in the Application, is granted and approval is hereby given.

DATED at Salt Lake City, Utah, this 5th day of December, 2003.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

GW #36183