

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of South)
Utah Valley Electric Service District for) DOCKET NO. 06-2167-02
Authority to Issue Securities and Enter into)
Contracts) REPORT AND ORDER

ISSUED: January 17, 2007

By The Commission:

PROCEDURAL HISTORY

On December 13, 2006, South Utah Valley Electric Service District (“Company”) filed with this Commission its application in the above-referenced matter. On January 11, 2007, the Division of Public Utilities (“Division”) filed a memorandum detailing its investigation of the application and recommending approval.

BACKGROUND AND DISCUSSION

By its application, the Company seeks Commission Order authorizing the Company to issue Bond Anticipation Notes totaling \$1,000,000 to expand the capacity of its existing Loafer Substation. The term of the Notes will not exceed three years with interest at the market rate at the time the Notes are issued. The Division recommends approval as being in the public interest.

Having fully considered the application and all of the exhibits, documents and matters pertaining thereto, the Commission makes the following Findings of Fact and Conclusions of Law, together with the Order based thereon:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This Commission has jurisdiction over this application pursuant to the provisions of Section 54-4-31(1), Utah Code Annotated 1953, as amended 1997.

2. The Company proposes to issue Bond Anticipation Notes totaling \$1,000,000 to finance capacity expansion of its Loafer Substation.

3. Given the Company's representation that the proposed issuance of shares will be for a lawful purpose, the proposed transaction is consistent with the public interest and is necessary and appropriate for and consistent with proper performance by the Company of service as a public utility.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The application of the Company requesting authority to issue Bond Anticipation Notes totaling \$1,000,000 to finance the capacity expansion of its Loafer Substation is hereby approved.

2. Pursuant to this authorization, the Company shall file with the Commission verified copies of any agreements entered into pursuant to this Order.

3. Nothing in this Order shall be construed to obligate the State of Utah to pay or guarantee in any manner whatsoever, any securities authorized, issued, assumed or guaranteed hereunder.

4. The issuance of an Order authorizing the proposed transaction does not constitute determination or approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves for the appropriate proceeding.

AGENCY REVIEW AND JUDICIAL APPEAL

This Report and Order constitutes final agency action in this docket. Pursuant to Utah Code 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the 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 fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, 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 Utah Code Ann. §§ 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 17th day of January, 2007.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
GH52107