

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Flowell)
Electric Association, Inc. for Authority to) DOCKET NO. 08-027-01
Issue Securities in the Form of a Revolving)
Line of Credit Agreement and Related) ORDER
Documents)

ISSUED: October 7, 2008

By The Commission:

By Application filed August 18, 2008 (Application), Flowell Electric Association, Inc., (Flowell) seeks Commission authorization for Flowell to issue securities, in the form of a Revolving Line of Credit Agreement, to the National Rural Utilities Cooperative Finance Corporation (“CFC”) in an amount up to \$1,000,000 (“Line of Credit”), and to enter into and deliver other documents, agreements and arrangements reasonably incident to the Line of Credit, including a Restated Mortgage and Security Agreement (“Restated Mortgage”) to secure the Line of Credit and all other amounts owed by Flowell to CFC. Flowell desires to complete the Line of Credit as soon as practicable and requests the Commission issue a final order as soon as practicable. By Memorandum dated September 24, 2008, the Division of Public Utilities (Division) describes its analysis of the Application and additional supporting information and recommends the Commission grant Flowell’s request. No other response to the Application has been submitted.

The Division states its analysis indicates Flowell’s financial and operational circumstances provide adequate capability to undertake and support the obligations arising from the Line of Credit. The Division provides a multi-year evaluation supporting its conclusions and recommendation. The Division notes its analysis did not address the reasonableness of the

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specific terms and conditions associated with the Line of Credit. The Division notes Flowell's management has made its independent decision to enter into the transaction, as stated in the Application, "in order to allow it to continue to meet its cash flow needs, to carry out its services as a public utility and to meet its general corporate purposes, now and in the foreseeable future."

Based upon the Application and the Division's analysis and recommendation, the Commission will grant the authorization sought by Flowell. Wherefore, we enter this ORDER wherein we:

1. Authorize Flowell Electric Association, Inc., pursuant to Utah Code 54-4-31, to issue securities, in the form of a Revolving Line of Credit Agreement, to the National Rural Utilities Cooperative Finance Corporation) in an amount up to \$1,000,000, and to enter into and deliver other documents, agreements and arrangements reasonably incident to the Revolving Line of Credit, including a Restated Mortgage and Security Agreement to secure the Revolving Line of Credit and all other amounts owed by Flowell to the National Rural Utilities Cooperative Finance Corporation.

2. This Order constitutes final agency action on Flowell Electric Association's August 18, 2008, Application. Pursuant to Utah Code § 63-46b-12, an aggrieved party may file, within 30 days after the date of this Order, a written request for rehearing/reconsideration by the Commission. Pursuant to Utah Code § 54-7-15, failure to file such a request precludes judicial review of the Order. If the Commission fails to issue an order within 20 days after the filing of such request, the request shall be considered denied. Judicial review of this Order may be sought pursuant to the Utah Administrative Procedures Act (Utah Code § 63-46b-1 et seq.).

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DATED at Salt Lake City, Utah, this 7th day of October, 2008.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#59307