



Public Service Commission

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State of Utah

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June 28, 2016

[Distribution Electrical Cooperative Service List]

[Telephone Cooperative Service List]

Re: H.B. 266, Unclaimed Capital Credits Amendments

Dear Cooperative:

During the 2016 General Session, the Utah Legislature passed H.B. 266, Unclaimed Capital Credit Amendments (H.B. 266 or Bill).¹ Effective May 10, 2016, the Bill amends provisions of the Utah Code relating to a distribution electrical cooperative's or telephone cooperative's unclaimed capital credits.² Importantly, Section 54-3-26 of the Utah Code now requires electrical and telephone cooperatives to establish "criteria" for recipients of financial assistance that are based on "a recipient's financial or other need" and "the recipient community's interests."³ Further, Section 54-3-26 requires each distribution electrical and telephone cooperative to submit a report to the Public Service Commission before November 1 of each year that describes:

- (a) the amount of unclaimed capital credits retained by the cooperative;
- (b) the amount and recipients of financial assistance disbursed; and
- (c) the criteria used by the cooperative to determine the recipients and amount of financial assistance disbursed.

See Utah Code Ann. § 54-3-26(5)(a)-(c).⁴

¹ H.B. 266 is available here: <http://le.utah.gov/~2016/bills/static/HB0266.html>.

² See *id.* (referencing amendments to Utah Code Ann. §§ 54-2-1 and 54-3-26). See also Utah Code Ann. § 54-2-1, available at: http://le.utah.gov/xcode/Title54/Chapter2/54-2-S1.html?v=C54-2-S1_2016051020160510, and § 54-3-26, available at: http://le.utah.gov/xcode/Title54/Chapter3/54-3-S26.html?v=C54-3-S26_2016051020160510.

³ Utah Code Ann. § 54-3-26(4)(a)-(b).

⁴ For a complete reading of Section 54-3-26 and its requirements, please go to: http://le.utah.gov/xcode/Title54/Chapter3/54-3-S26.html?v=C54-3-S26_2016051020160510.

The Commission provides the information above as a courtesy to ensure that reports filed before November 1, 2016 comply with H.B. 266. Beginning 2017, for convenience, this information may be included in each cooperative's annual report.⁵

Sincerely,

/s/ Gary L. Widerburg
Commission Secretary
dw#278668

cc: Mike Peterson (mpeterson@utahcooperatives.org)
Executive Director
Utah Rural Electric Association

Kira M. Slawson (kslawson@blackburn-stoll.com)
Legal Counsel
Utah Rural Telecom Association

⁵ See, e.g., Tab 17 of the Electric Cooperative Association Annual Report, available at: <http://publicutilities.utah.gov/forms.html>.

