



Mayor
Nanette Billings

City Manager
Kaden C. DeMille

Power Board
Mac J. Hall, Chair
Jerry Brisk
Pam Humphries
Dave Imlay
Joseph Prete
Charles Reeve

Power Board Meeting Agenda

2/7/2024

3:00 PM

Power Department Meeting Room – 526 W 600 N

Notice is hereby given that the Power Board will hold a Regular Meeting in the Power Department Meeting room located at 526 W 600 N, Hurricane, UT. A silent roll call will be taken, along with the Pledge of Allegiance and prayer by invitation.

AGENDA

1. Pledge of Allegiance
2. Prayer
3. Welcome New Board Members: Kerry Prince, Colt Stratton, Tony Certonio
4. Approval of minutes from January 2024

STAFF REPORTS

Scott Hughes/Power Director
Brian Anderson/Transmission & Distribution Superintendent
Mike Ramirez/Service Superintendent
Jared Ross/Substation & Generation Superintendent

BUDGET

1. Budget

OLD BUSINESS

1. Capacity Update
2. Update on DAQ Air Permit

NEW BUSINESS

1. Overview and Orientation of role of Power Board
2. Appointment of Power Board Vice Chairman
3. UAMPS Updates
4. **Closed Meeting pursuant to Utah Code Section 52-4-205**

ADJOURNMENT

The above notice was posted to the Hurricane City website, the Utah State Public Notice Website, and at the following locations:

1. Hurricane City Office – 147 North 870 West, Hurricane, UT
2. US Post Office – 1075 West 100 North, Hurricane, UT
3. Washington County Library (Hurricane Branch) – 36 South 300 West, Hurricane, UT





HURRICANE CITY UTAH

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1 The Hurricane City Power Board met on January 3, 2024, at 3:00 p.m. at the Clifton Wilson Substation on 526
2 W 600 N.

3
4 In attendance were Mac Hall, Pam Humphries, Charles Reeve, Dave Imlay, Joseph Prete, Jerry Brisk, Scott
5 Hughes, Brian Anderson, Mike Ramirez, Jared Ross, Nanette Billings, Kaden DeMille, Mike Vercimak, Dayton
6 Hall, Fred Resch, and Crystal Wright.

7
8 Mac Hall welcomed everyone to the meeting. Pam Humphries led the Pledge of Allegiance and Mac Hall
9 offered the prayer. Pam Humphries motioned to approve minutes from the December 2023 meeting. Jerry
10 Brisk seconded the motion. Motion passed unanimously.

11
12 **Scott Hughes:** Scott Hughes reported our employees are healthy and doing well. Projects from this month will
13 be discussed by the supervisors.

14
15 **Brian Anderson:** Brian Anderson reported the crew has been working to prepare poles for the distribution
16 circuits that will be coming out of the Three Falls Substation. Our tree trimming list was compiled and sent to
17 begin the process of getting the trimming completed for this year. Christmas light maintenance occurs
18 throughout the season to keep them looking nice. Hurricane Elementary students came to do a tour of the
19 facilities and watch a hot line demonstration. This is an annual event for their 4th grade classes.

20
21 **Mike Ramirez:** Mike Ramirez reported that UDOT contacted us for assistance in moving and cutting in a vault
22 for a turning lane at Quail Creek State Park. We submitted our invoice for the work but have not received
23 payment yet. A 3M representative came for a demonstration and gave us splices to test. One of the three
24 splices was ruined right out of the box. We reported back to the 3M representative what the issue was and are
25 not sure if we will be using those. The Service Crew also found a 3M failed termination kit. Six of the kits in that
26 batch were bad. We contacted the 3M representative and they offered to replace the six faulty ones. He
27 reported the Service and Line crews have again spent a lot of time helping each other this month.

28
29 **Jared Ross:** Jared Ross reported a lot of grading was completed outside the walls at the Three Falls Substation.
30 There is a company currently working on constructing the gates. Brent George has been working on landing
31 the wiring. Jared Ross checks on his work and has been pleased with his attention to detail. There will be
32 commissioning tests when everything is done to double check both plans and installation at the substation
33 before it's energized. Scott Hughes said we have considered having Brent George oversee SCADA because he
34 has the mind for it. There is great value in having done the physical side of the wiring so that when
35 programming the digital SCADA side there is an understanding of the details. Jared Ross stated due to the
36 agreement with UAMPS to use our Member Internal Generation (MIG) that he's been working on generator
37 maintenance to get them ready if they're needed. Scott Hughes briefly discussed the general idea behind the
38 agreement to use MIG for UAMPS and Member benefit. Joseph Prete asked where the original agreement for



39 the purchase of additional generators is. Scott Hughes detailed our letter is still in effect and we have a first
40 right of refusal for any of those available generators still. We have been waiting due to finances. Jerry Brisk
41 asked about a time limit for the air permit for Generator #9 that had been approved. Jared Ross said he would
42 investigate the expiration date on that, but he believes it was an 18-month permit.

43

44 **Budget:** Scott Hughes reported on the normal monthly graphs and numbers. Reviewed the budget graphs
45 showing cost of sales vs revenue and the operating margin from last month. Joseph Prete asked whether we
46 felt like the rate adjustments that were done in 2023 were enough. He understands we tried to be very
47 conservative, but wondered if there was enough data now to determine how effective that rate adjustment
48 has been. Scott Hughes stated there is information on the cost of sales vs revenue graphs to help gauge the
49 answer to that question. We've kept a close eye on those numbers. Kaden DeMille suggested putting the 2023
50 numbers on these graphs to show the improvement that started happening this year with the margins. Scott
51 Hughes stated he has new rolling average graphs that show this information which is as current as our
52 most recent financial statements. Kaden DeMille stated the reserve fund had been around \$14.4 million in
53 2021. In May of 2023, we were down to a low of \$7.6 million. We are up to approximately \$10.9 million right
54 now. Kaden DeMille cautioned there are impact fees included in that, so the Three Falls Substation project
55 naturally would have dipped into that anyway because of the impact fees used. However, things are trending
56 in the right direction. Dave Imlay asked what other cities are doing as far as rate increases. Scott Hughes stated
57 that it's been a big discussion between all the cities. There have been a lot of rate increases among the UAMPS
58 members and many of the members have used a Power Cost Adjustment (PCA) to stabilize rates. This makes it
59 hard to compare rates listed on their website with ours because of the PCA. We had a larger base increase, but
60 if you include their PCA amounts, ours was more conservative overall. Nanette Billings asked about an update
61 on the impact fee study. Scott Hughes stated it is a 6–8-month process and was delayed slightly because of
62 discussions we'd been having internally about details of what to include in the study. Dave Imlay expressed his
63 appreciation for the work Scott Hughes has done to present this information.

64

65 **Hurricane/UAMPS Joint Use Agreement Update:** Scott Hughes provided a quick update that we are waiting
66 for engineers to get back with us. Dennett Construction paid the money for the engineering study to be
67 completed. The engineers completed some of the information, and we are waiting for the remaining details
68 before we can move forward.

69

70 **Appointment of Power Board Chairman and Vice Chairman:** Mac Hall explained we are supposed to be
71 appointing these positions annually. There was a discussion about the ordinance and the resolution detailing
72 the specifics of the Power Board creation. Dave Imlay made a motion for Mac Hall to be the Power Board
73 Chairman. Jerry Brisk seconded the motion. Jerry Brisk made a motion for Charles Reeve to be the Power
74 Board Vice Chairman. Dave Imlay seconded the motion. Joseph Prete wanted to confirm if the official motion is
75 for Mac Hall to be the Chairman and Charles Reeve to be the Vice Chairman contingent on the City Council
76 approving a continuance of his term. There had been multiple seconds to that motion earlier. Mac Hall
77 confirmed it was. Motion passed unanimously.

78

79 **UAMPS Updates:** Scott Hughes reported a lot of information is included in the packet. CFPP is continuing the
80 wind down period. The amount of our payment was lower than we'd been told initially. Our totals are barely
81 over \$900,000. He's planning on paying it off with the reserve money we have in our UAMPS member margin
82 account right now. Interest would be 5.5% if we chose to pay it over 3 years. San Juan decommissioning is
83 moving forward and under budget. There is interesting stuff happening at Horse Butte Wind project including a
84 lightning strike and foundation mitigation. Nanette asked about any new projects. Scott replied yes, we are

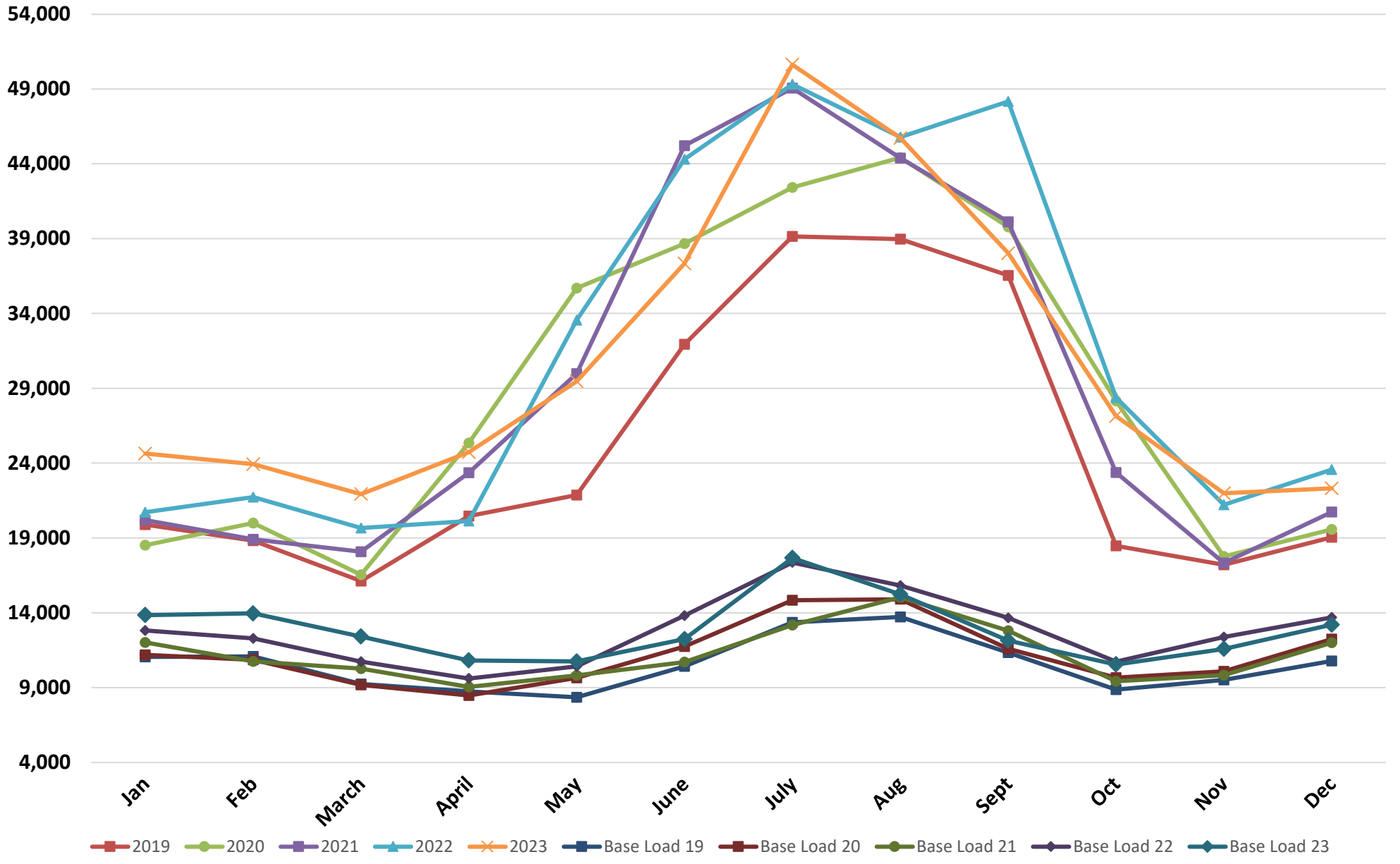
85 looking into Next Era Zion Solar & Battery in Iron County, Fremont Solar & Battery in Iron County, and a solar
86 with natural gas project up by Eagle Mountain. There is also another natural gas plant that we're looking into
87 that would look more like the Payson Power Plant. Dave Imlay suggested talking to Dixie REA about the hydro
88 power they currently take out of the Virgin River. Maybe they'd be willing to turn it over to us.

89
90 Power Board adjourned at 4:32 p.m. The next Power Board Meeting is scheduled for February 7, 2024, at 3:00
91 p.m.

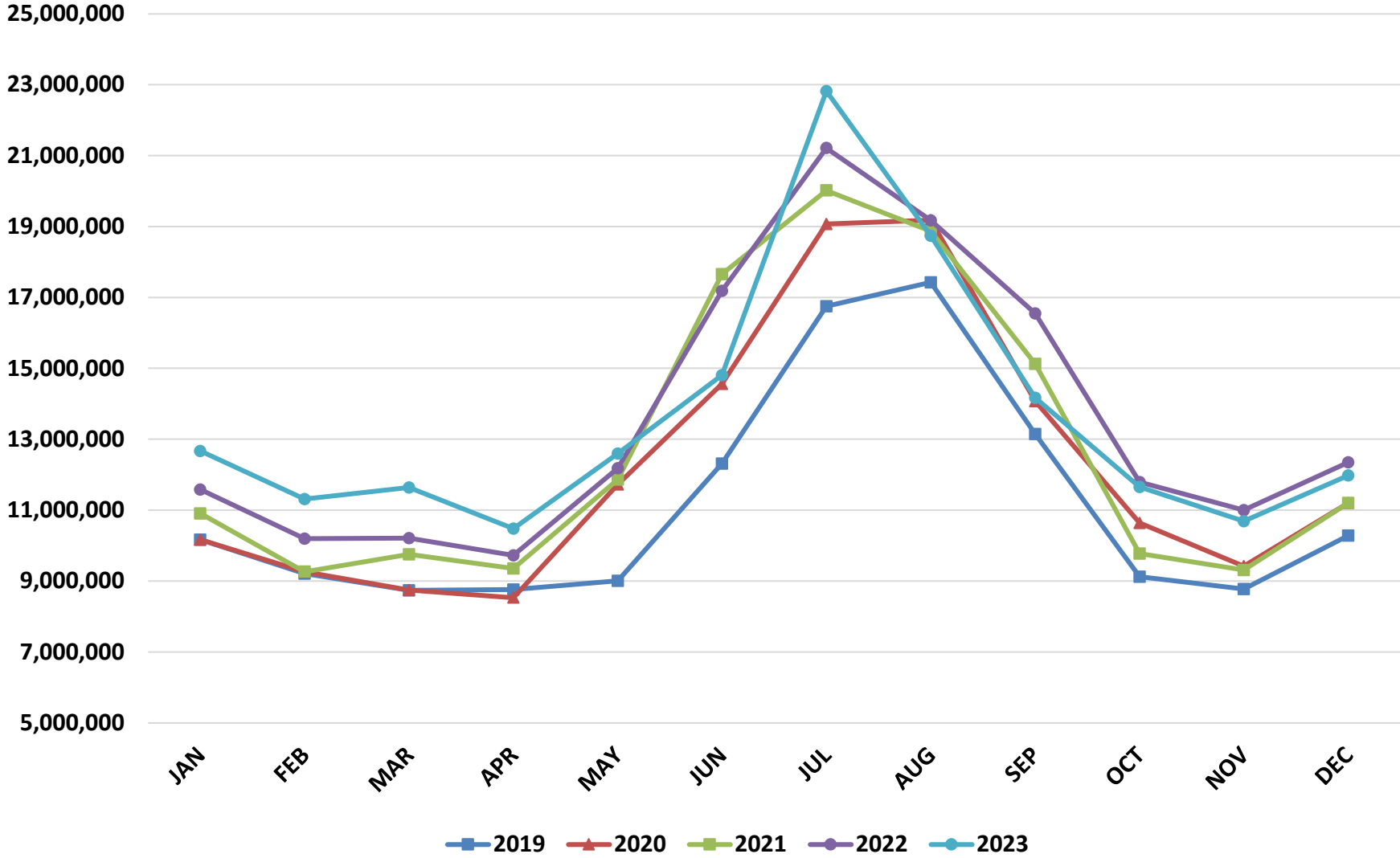
DRAFT

BUDGET

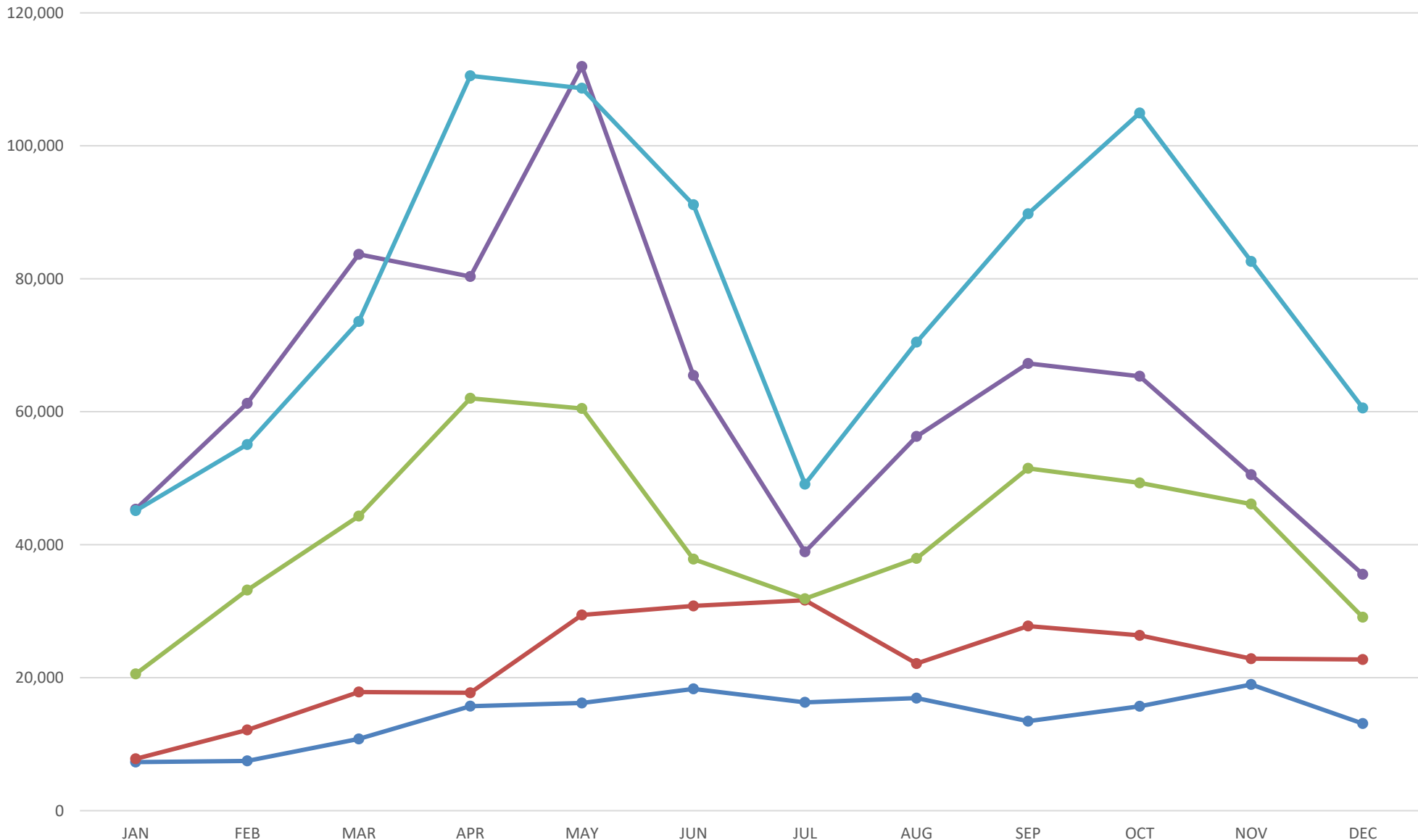
2019 - 2023 KW LOAD



2019 - 2023 KWH LOAD



Solar kWh



● 2019 ● 2020 ● 2021 ● 2022 ● 2023

AVERAGE YEARLY POWER PRICES

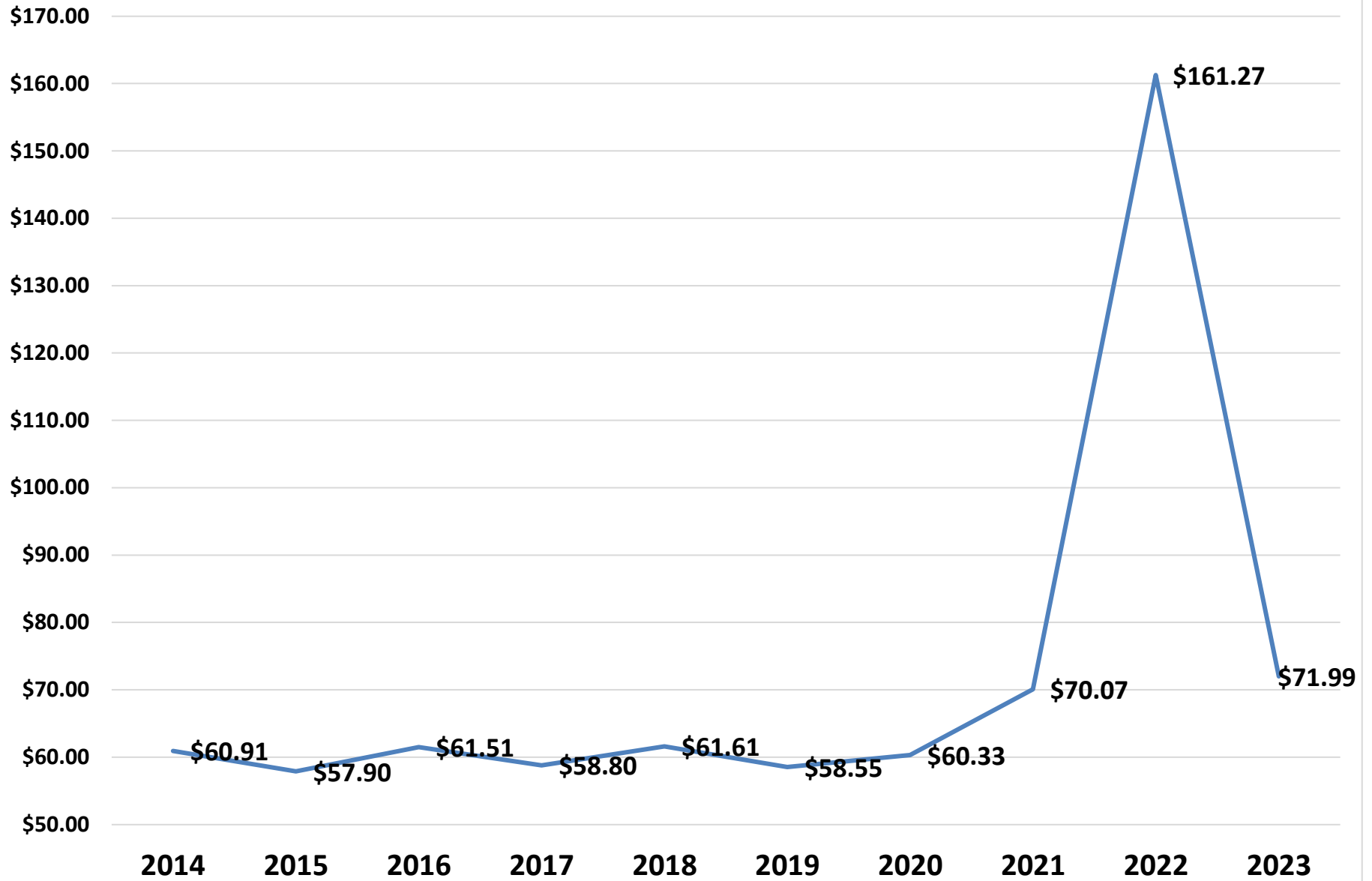
23-24 bdt amount (thru Dec 2023) **\$81.34**
 BDGT Year to Date **\$79.85**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>Jan</i>	\$58.36	\$59.86	\$57.87	\$59.07	\$60.62	\$59.75	\$57.76	\$60.14	\$68.25	\$132.00
<i>Feb</i>	\$64.45	\$65.94	\$62.38	\$63.04	\$60.96	\$67.00	\$60.67	\$63.19	\$70.88	\$85.08
<i>Mar</i>	\$60.83	\$62.03	\$61.77	\$60.99	\$60.09	\$65.17	\$64.67	\$63.64	\$67.28	\$81.89
<i>Apr</i>	\$63.75	\$61.88	\$59.71	\$59.49	\$55.02	\$55.44	\$55.92	\$61.86	\$82.63	\$71.74
<i>May</i>	\$61.64	\$64.71	\$65.51	\$60.32	\$58.86	\$58.55	\$58.55	\$59.69	\$72.66	\$67.01
<i>June</i>	\$59.15	\$58.30	\$65.51	\$58.54	\$52.17	\$55.30	\$53.44	\$86.91	\$77.60	\$69.40
<i>Jul</i>	\$56.85	\$56.91	\$56.95	\$58.29	\$67.87	\$54.29	\$55.98	\$81.04	\$85.31	\$90.02
<i>Aug</i>	\$56.84	\$55.27	\$57.67	\$59.00	\$66.55	\$54.58	\$78.40	\$72.03	\$96.60	\$82.90
<i>Sep</i>	\$59.46	\$56.06	\$56.97	\$62.36	\$55.00	\$54.34	\$64.93	\$82.38	\$127.29	\$68.06
<i>Oct</i>	\$61.42	\$56.97	\$59.23	\$59.79	\$59.36	\$59.70	\$62.82	\$75.92	\$83.45	\$83.76
<i>Nov</i>	\$63.03	\$59.68	\$64.18	\$62.14	\$64.60	\$63.80	\$63.60	\$70.47	\$96.34	\$73.03
<i>Dec</i>	\$60.91	\$57.90	\$61.51	\$58.80	\$61.61	\$58.55	\$60.33	\$70.07	\$161.27	\$71.99
<i>Yr Avg</i>	\$60.56	\$59.63	\$60.64	\$60.15	\$60.23	\$58.87	\$61.42	\$70.61	\$90.80	\$81.41
<i>Weighted Avg</i>	\$60.34	\$58.99	\$59.55	\$59.90	\$60.56	\$58.11	\$61.98	\$72.46	\$92.09	\$81.92

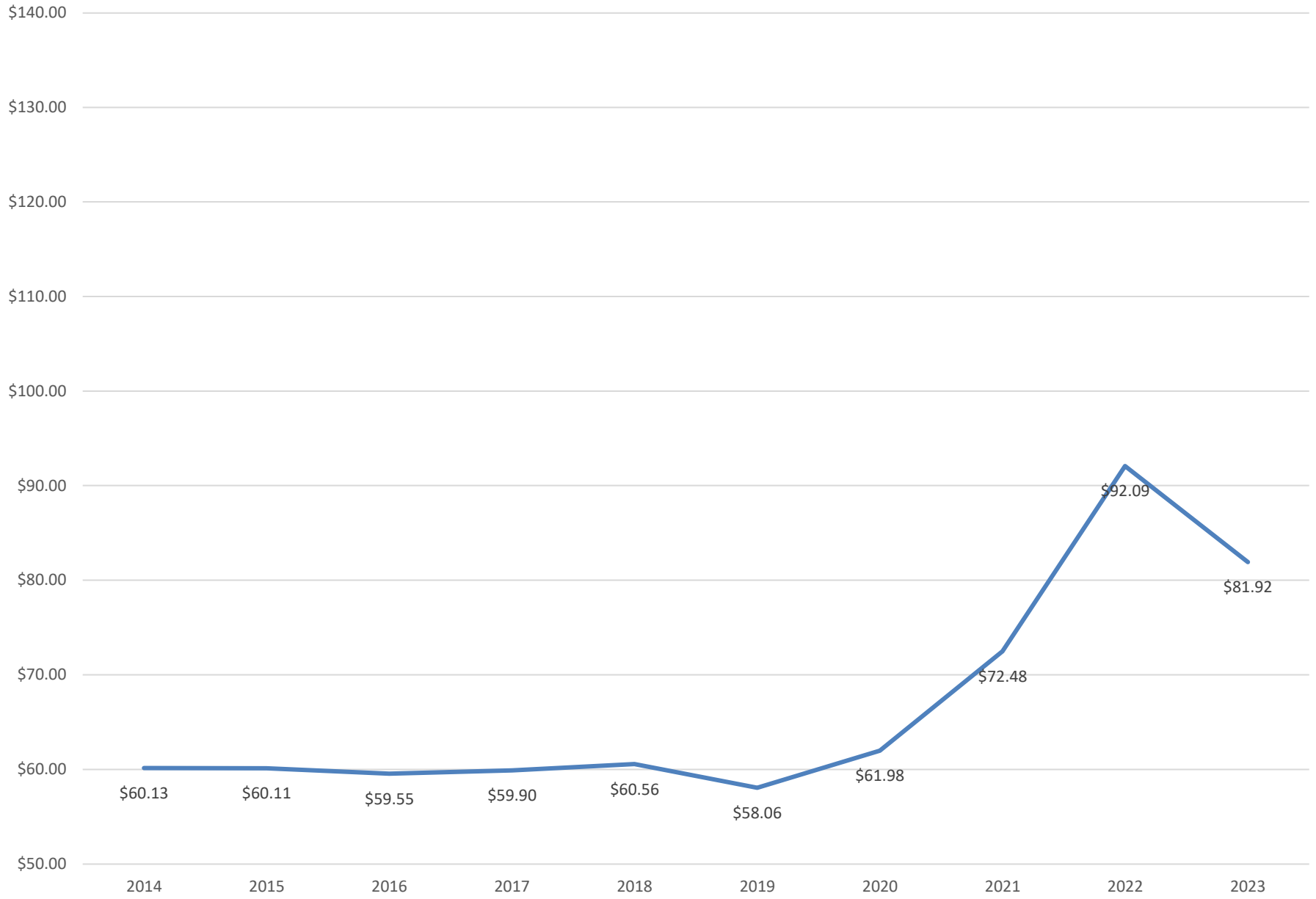
Cy to Date

These figures capture the total cost of power to the power department. The power department uses costs only associated with the purchasing and generation of power and includes debt payments and interest associated with power resources.

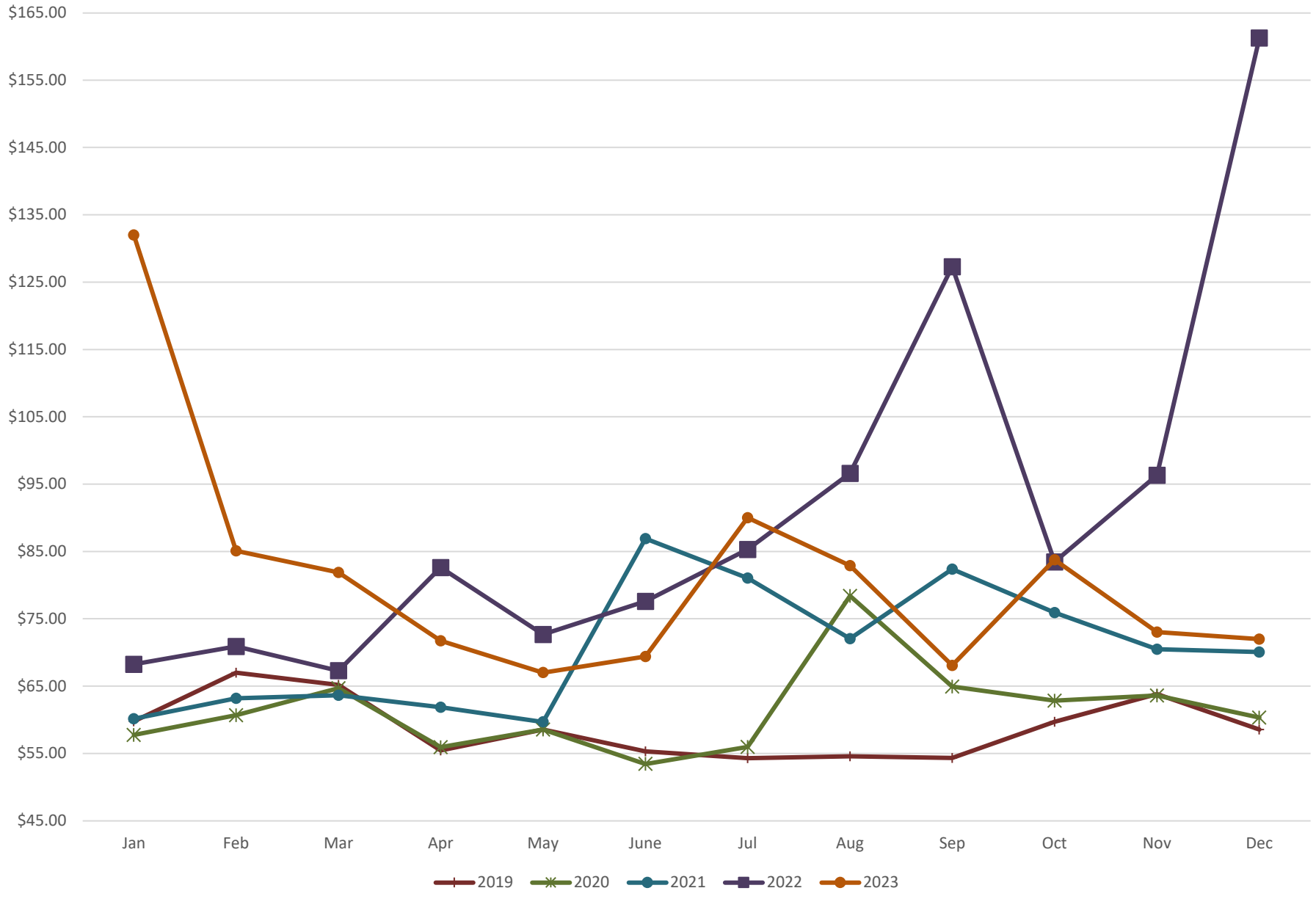
Dec



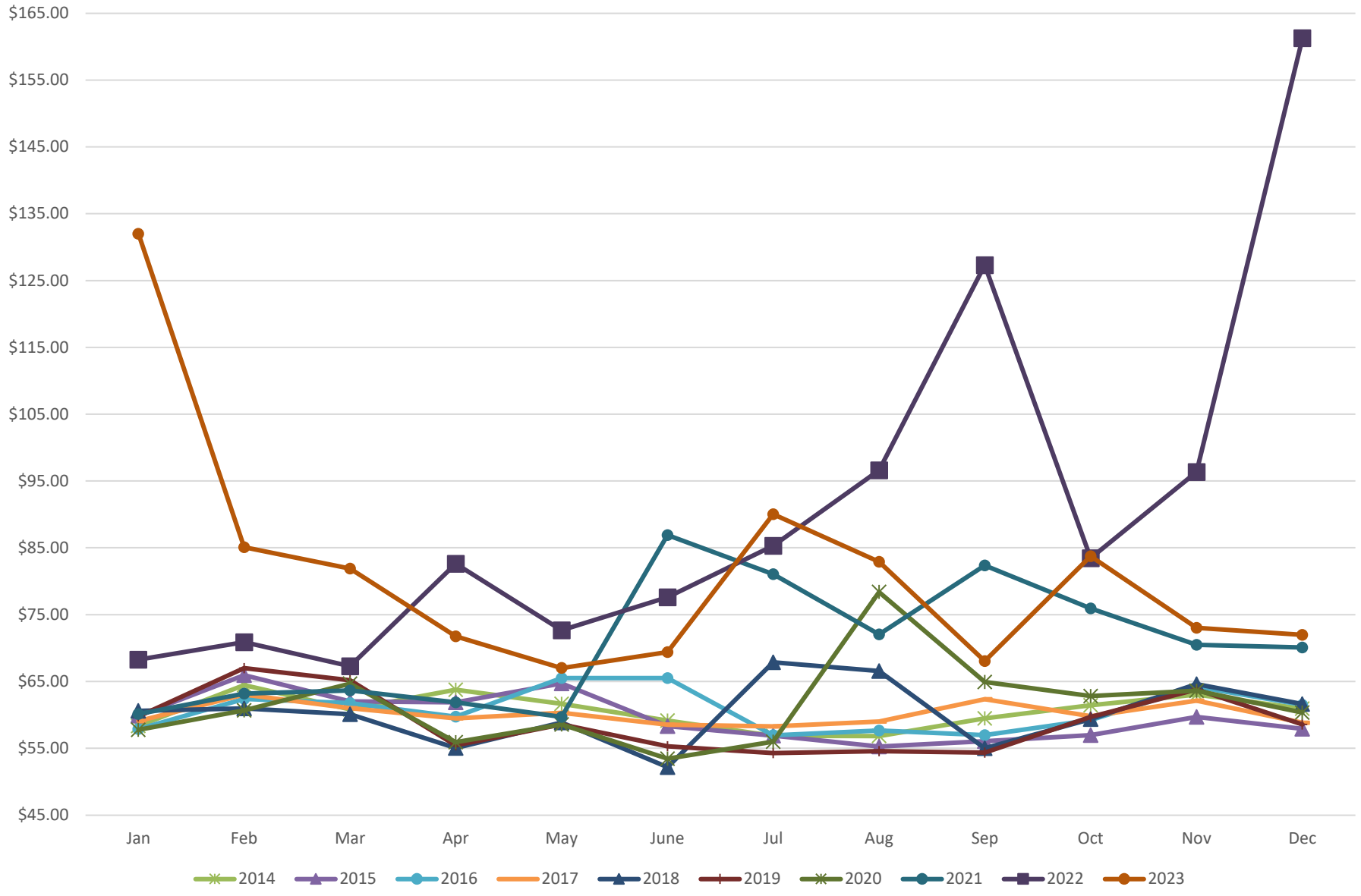
Weighted Average

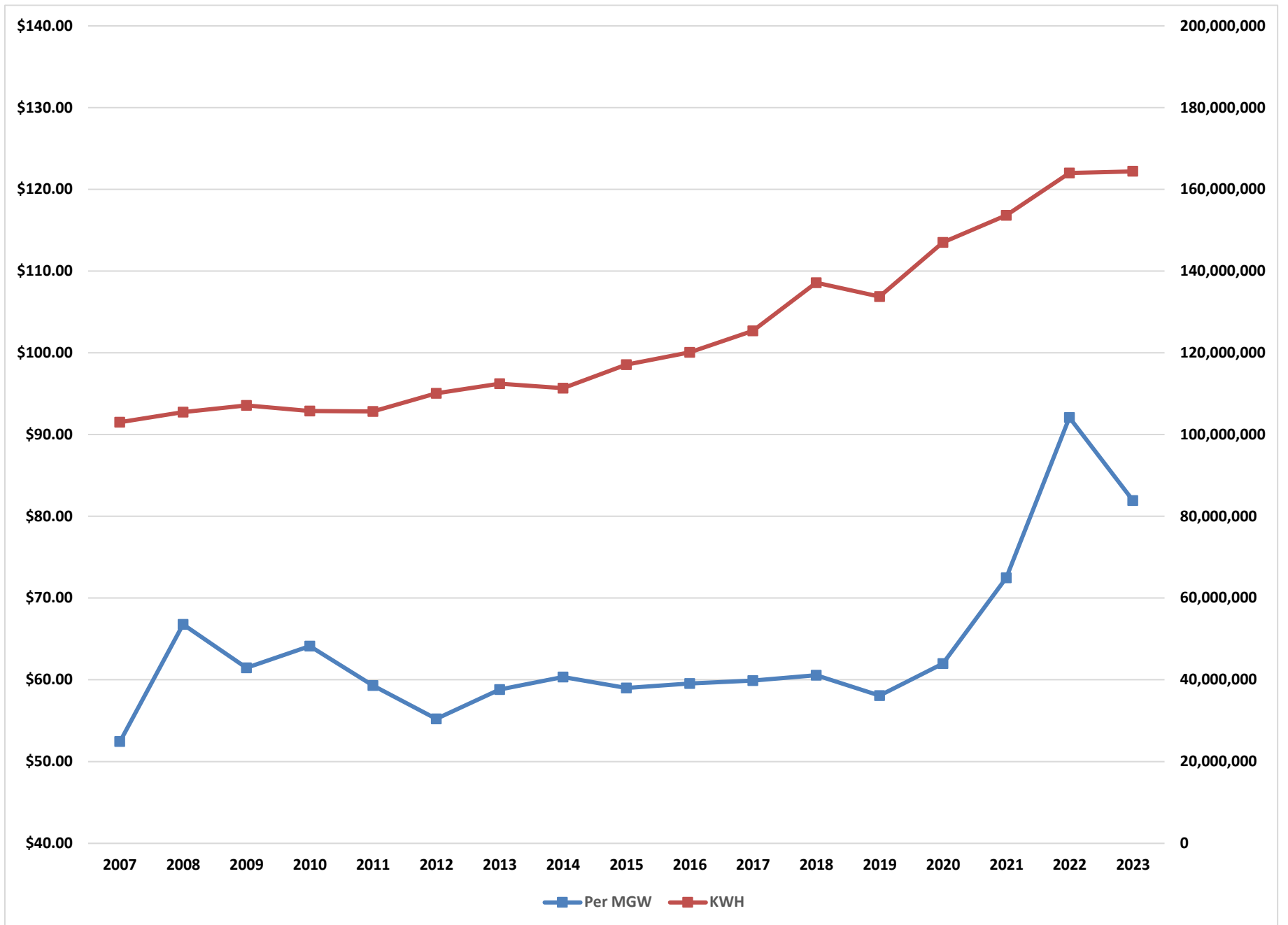


Avg Monthly Price (5 Yrs)



Avg Monthly Price





CHAPTER 4. - MUNICIPAL POWER

Sec. 8-4-1. - Department created; connection required.

There is hereby created the Municipal Power Department which shall serve as an advisory board for the development, production, purchase and distribution of all electric power services by the City. At such time as a municipal power system is available to service residents, all residents shall connect to the municipal system.

(1998 Code § 14-311)

Sec. 8-4-2. - Municipal Power Board.

A. *Created.* There is hereby created and established the Municipal Power Board (hereafter in this chapter referred to as "board"), which shall act in an advisory capacity to the City Council.

B. *Organization of board.*

1. *Number; appointment.* The board shall consist of six commissioners, one of whom shall be a member of the City Council and/or Mayor. All members of the board shall be appointed by the Mayor with the advice and consent of the City Council.
2. *Term.* Commissioners serving on the board as of the effective date hereof shall continue to serve as commissioners for the following term as designated by the Mayor and City Council: one for a term of two years; two for a term of three years; two for a term of four years. All successors to the first Board of Commissioners under this chapter shall be appointed for a term of four years and until their successors are appointed and have qualified, unless they shall be removed from office as provided in subsection B4 of this section. Any commissioner may be reappointed by the Mayor with the consent and approval of the City Council.
3. *Vacancies.* Vacancies shall be filled by the mayor with the consent and approval of the City Council, for the unexpired term. No vacancy in the board shall impair the right of the remaining commissioners to exercise all the powers of the board.
4. *Qualifications.* To be appointed commissioner, a person must reside in the City. Any commissioner may be removed from office prior to the expiration of his appointed term by a majority vote of the City Council when such removal shall be deemed by the City Council to be in the best interests of the Power Department.
5. *Chairman and Vice Chairman; conduct of meetings.* The board will appoint from among the Board of Commissioners a Chairman and Vice Chairman of the board. The Chairman and Vice Chairman shall serve in such capacity for the length of one year. The Chairman shall preside over the meetings of the board, and the Vice Chairman shall act for the Chairman during the Chairman's absence. The board shall adopt reasonable rules for the conduct of its meetings, which shall be held at least once a month on the first Wednesday at the Clifton Wilson Substation. All members of the board shall attend such meetings. No action shall be taken by the board except by the affirmative vote of at least three commissioners. Three commissioners shall constitute a quorum.

C. *Personnel.*

1. *Director of power system.* The City Council shall select, define the duties, and fix the compensation for a full-time "director" of the municipal power system. The director shall be responsible for the proper operation, maintenance, and care of the municipal power system, and to perform any other duties or functions required by the City Council or board. The salary of the director shall be established by the City Council after due consideration of recommendations from the board. The normal working hours of the director not necessary to ensure the proper operation, maintenance and care of the municipal power system shall be devoted to other work as needed by the City. The Power Director shall make weekly

reports to the City Manager relating to the power system. All the functions and activities of the Director shall be carried on under the direction of the City Manager.

2. *Employee benefits.* Benefits of employees of the Municipal Power Department shall be governed by and subject to general employee policies in effect for all employees of the City.

(1998 Code § 14-312—14-314; 2000 Code; Ord. No. 2022-01 , 3-3-2022; Ord. No. 2023-02 , 1-19-2023)

Sec. 8-4-3. - Application for service.

Any person, including any subdivider, who desires to have the power lines extended within the City may make application to the Power Board in writing. A description of such proposed extension accompanied by a map showing the location and size of the proposed line extension shall be submitted in writing which shall be reviewed by the Power Superintendent and taken to staff meeting for review before approaching the City Council. The City Council may grant or deny the request as in its discretion deemed best for the welfare of existing power users in the City.

(1998 Code § 14-314; 2000 Code)

Sec. 8-4-4. - Rates, charges, and policies.

- A. *General.* The board shall recommend rates to be charged for electricity sold and services rendered by the Municipal Power Department, and all such rates shall be established by resolution of the City Council. Rates shall be fair, reasonable and compensatory and shall be uniform for all consumers within the same class; but different rate schedules may be applied to different classes of consumers as determined by the board. Rates shall be sufficient to pay all operating and maintenance expenses of each respective utility operation and all bond interest and redemption costs of the respective utility operations. These rates will be determined through a rate study from time to time. There will only be one residential connection per meter.
- B. *Deposit.* The board shall require a deposit in the amount established by resolution of the City Council as security for payment of charges for power and/or water service for all utility connections; provided, however, that said deposit may be waived for owners of real property for which utility service is sought who provide proof of legal ownership. Such deposit may, upon request, be returned after two years of good credit, as established by department policy, or upon termination of said account, whichever first occurs.
- C. *Turn on/transfer fee.* The board shall require a turn on/transfer fee in an amount established by resolution of the City Council to be charged to any person opening a utility account within the City. The turn on/transfer fee is considered operating costs for the Power Department or other utility department to read the power and/or water meter and to transfer this same meter to a new account and is considered nonrefundable.
- D. *Application.* Any person residing within the power service area and desiring to obtain power service in their name will be required to file an application for utility service at the City office.
- E. *Billings; delinquency; discontinuance of service.*
 1. The utility department is hereby authorized and empowered to combine all charges for all utility services, including water, sewer, garbage, power, etc., into one monthly billing, describing the various utility services supplied, the amount owed for each individual utility service and the total amount of all such services.
 2. Any such monthly utility billing shall be due and payable in full on or before the 15th day of the month following the month for which such utility services were rendered.
 3. Any such monthly utility billing not paid in full on or before the 15th day of the month, as specified in subsection E2 of this section, shall be deemed delinquent and shall be assessed a late charge in the amount of five percent of the unpaid balance of said monthly billing. If the billing is not paid in full by the end of the month in which it was due, an additional nonpayment penalty shall be assessed to the account in the amount set by resolution of the City Council. If said billing is not paid in full before the tenth of the month following the month in which it was due, power may be disconnected.

4. In the event that power or other utility service is disconnected, the customer shall, before electrical or other utility service will be restored, pay the full amount of the billing owed for utility services. Upon reconnection of power or other utility service, a reconnect fee will be assessed in the amount established by resolution of the City Council.
 5. In the event that power or other utility service is disconnected for lack of payment and the balance remains unpaid for one week, the utility account will be terminated. Once the account has been terminated, the customer must pay: a) the balance owed for utility service rendered; b) a reconnect fee; and c) the utility security deposit before utility service will be restored.
 6. A fee in an amount established by resolution of the City Council shall be charged and added to the next month's utility bill for any customer whose electric power service requires maintenance or repair because of a meter seal which has been damaged, cut or otherwise tampered with.
- F. *Reasonable access.* All customers shall permit the City's authorized representatives to enter on the customer's premises at all reasonable times for purposes connected with rendering, billing, or disconnecting utility services. Customers shall not construct, erect, or otherwise put in place any barrier impeding free and easy access to all utility service meters.
- G. *Termination of service; subsequent service location.*
1. Utility customers shall be responsible for the payment of utility charges incurred at the service location until such time as their responsibility is terminated in one of the following ways by:
 - a. written order of the applicant;
 - b. the City's termination for lack of payment, as outlined in subsection E5 of this section; or
 - c. the proper assumption of the payment responsibility by a party acceptable to the City and upon completion of an application for service by said party.
 2. In order to establish power or other utility service at any additional and/or subsequent service location(s), utility customers must complete a utility service application for each location. Prior to connecting any subsequent or additional utility service, customers must pay any billing amount due for current utility service at the time a subsequent or additional service connection is requested.
- H. *Temporary power during construction.* Customers desiring temporary power during construction shall be required to fill out the form required by the Power Department before a temporary pedestal will be set.

(Ord. 2009-11, 9-3-2009; Ord. 2014-03, 2-6-2014; Ord. No. 2022-20 , 5-5-2022)

Sec. 8-4-5. - Extensions of power lines.

The placement and installation of power line extensions shall be governed by this and any other applicable ordinances of the City. In addition to impact fees required by applicable ordinances of the City, all costs and expenses incurred in the installation, construction or extension of the City's power lines shall be assessed to or paid by the person desiring such line extension. All extensions must be installed to City specifications.

- A. *Oversized line.* Where a power line is installed with a capacity greater than that requested or required by the person desiring such line extension, and where it is necessitated by consideration of orderly, future development and requested by the City, the additional cost of expense occasioned by the oversizing of said line shall be paid as determined by the City.
- B. *Participation by City.* The City may participate in such an extension upon forming a special improvement district (SID).
- C. *Ownership transfer.* Any person installing a power line extension shall transfer ownership of the power line extension to the City.

(1998 Code § 14-315)

Sec. 8-4-6. - Streetlights.

- A. *Subdivisions; required.* All subdivisions within the City shall be required to place streetlights upon construction of said subdivision.
- B. *Request.* Any resident desiring a placement of a streetlight upon a dedicated City street shall make a written request to the Power Board. The Power Board will determine if said streetlight is needed and then will direct the Power Department to install such streetlight.

(1998 Code § 14-316)

Sec. 8-4-7. - Rules, regulations and requirements.

- A. *Joint operations with others.* The board, with the approval of the City Council, may contract with any public or private corporation or any individual, both inside and outside the City limits:
 - 1. for the joint use of poles and other property belonging either to the department or to the other contracting party or jointly to both parties; and
 - 2. for the joint acquisition of real property and franchises and the joint financing, construction and operation of plants, transmission lines and other facilities, whereby any property acquired may become the property of both the City and the other contracting party.
- B. *Use of thoroughfares for utility installations.* The Power Department may use the ground over, under or along any road, railroad, highway, street, sidewalk, thoroughfare, alley or waterway in the operations of the department, but shall in all cases and subject to the applicable general regulations of the City, cause the surface of the public way to be restored to its usual condition.
- C. *Authority for expenditures.* No claim against the department shall be paid unless evidenced by a voucher approved by the power superintendent.
- D. *Franchise tax and transfer of funds.* The board shall pay annually to the City a franchise tax of six percent of the gross revenue of the Municipal Power Department, after the interest and principal and reserve requirements of the bond issue have been met.
- E. *Underground facilities.* All electrical cables and other related facilities within a subdivision built within the City shall be installed underground, except as otherwise directed by the City Council, in accordance with all specifications of the City.
- F. *Disposition of public utilities.* The City Council and board shall have no authority to cease to operate, sell, lease, abandon or in any other way dispose of any public utility owned by it; but nothing herein shall prevent the City from pledging the revenues of any such public utility or entering into the covenants with or for the benefit of the holders of revenue bonds relating to the maintenance, use, expansion and operation of any such public utilities.
- G. *Existing obligations.* Contracts and obligations relating to the utility systems of the City incurred prior to the taking effect of this chapter shall not be impaired and shall be binding upon the board insofar as they apply to the department.
- H. *Payment of revenue bonds.* The revenues from the department shall, at all times, be sufficient to pay all or any part of any bond or debit of the department whether the debit is in the form of a revenue bond, a general obligation bond, the proceeds of which were used for the department for any other debit or obligation including salaries of employees, operation and maintenance. Nothing in this subsection shall prevent the board from recommending to the City Council a utility rate sufficient to create a surplus and to provide payments to the general funds.

(1998 Code § 14-314, 14-316; Ord. 2014-12, 12-4-2014)

Sec. 8-4-8. - Electrical, telephone and television cable systems not governed by subdivision chapter.

All plans and specifications for electrical, telephone and television cable systems for residential, commercial or other development which are not subject to or governed by the requirements of the subdivision chapter, title 10, chapter 39 of this Code, shall be reviewed and approved by the Electrical Superintendent prior to the commencement of construction and installation. Except as otherwise directed by the City Council, after recommendation from the Power

Board, all electrical systems for residential, commercial or other development which is not subject to the requirements of the subdivision chapter, title 10, chapter 39 of this Code, shall be installed underground and shall conform to the requirements of "Standards and Specifications—City of Hurricane—Design and Installation of Underground Power Distribution Systems," including all revisions and updates through September 23, 1999.

(Ord. 20-01-06, 1-6-2000; Ord. 2014-12, 12-4-2014)

Sec. 8-4-9. - Faulted underground service drops on private property.

- A. *Definition.* For purposes of this section, the term "faulted underground direct buried service drop" shall mean a privately owned faulty or defective conductor, which is located over, under, on or through property owned by the customer, and which connects the customer's electric service to the City power electrical facilities.
- B. *Statement of policy.*
 - 1. Upon receipt of a report by a customer of a power problem involving a possible problematic or faulted direct buried service drop, the City Power Department shall provide diagnostic or troubleshooting services.
 - 2. If a defect or problem is suspected in the privately owned underground direct buried service drop, the power department will isolate the service by disconnecting the service conductors at the customer's meter base and disconnecting the conductors at the point of connection to the City's electric system.
 - 3. Once the service has been isolated, the City Power Department will test the service wires for the defective or faulty condition.
 - 4. If the wires are found to be problematic or faulted, the City Power Department will provide the customer with a temporary service for a period of time not to exceed four weeks, unless otherwise approved by the City Power Department Director, while the direct buried service drop is being repaired, provided that the customer shall first sign a waiver and release, waiving any and all claims against the City for any damage to persons or property that may arise in connection with the temporary service.
 - 5. All responsibility and liability for repair or replacement of a privately owned faulted underground direct buried service drop shall be borne by the customer or property owner; the City Power Department shall not perform any work in connection with any necessary repair or replacement, but may offer suggestions to the customer or owner.
 - 6. Upon completion of any repairs or replacement of the faulted underground direct buried service drop, the City Power Department will test and inspect the repaired or replaced facilities, and, if all is in proper order, will reconnect the service into the meter base and reenergize the service.

(Ord. 2013-07, 8-1-2013; Ord. 2014-12, 12-4-2014)

Basic Power & Capacity Down South Concepts

I would like to address some of the most basic concepts of the power industry that I believe will be helpful to clear up some of the confusion.

First: confusion of the terms, "high", "low", and "medium" voltage. They don't seem confusing at all! The reason that they are, is because those terms are relative. As an example, let's look at the term "high" voltage. To the homeowner, "high" could be 480 Volts. To the residential/commercial electrician, "high" could be 7,200 Volts. To the average rural lineman, "high" could be 69,000 Volts. To the high line, tower lineman, "high" could be 500,000 Volts. Likewise, "medium" and "low" will always be relative.

For the purposes of my explanations, if I use the term "high" voltage, I am referring to 69,000 up to 138,000 Volts. And if I use the term "low" voltage, I am referring to 7,200 up to 12,470 Volts.

Second: confusion of the terms, "transmission" and "distribution". Similarly, people will have different opinions of what is a "transmission" voltage, and what is a "distribution" voltage. So, it is relative. But for the purpose of this explanation, when I use the term "transmission" I am referring to the infrastructure that is energized at 69,000 up to 138,000 Volts. And when I use the term "distribution" I am referring to the infrastructure that is energized at 7,200 up to 12,470 Volts. When it comes to the confusion of the physical construction of overhead transmission poles vs. distribution poles, I will offer some pictures below to aid in discerning the differences between some of those structures. Just as note, all of the pictures of the poles below are in Hurricane City.

Currently, Hurricane City brings power into our city on transmission lines, energized at 69,000 Volts. Obviously, it would be insanely dangerous to energize our homes and businesses anywhere near 69,000 Volts. So, in order to provide power to our homes and businesses at much safer levels, we implement transformers. Transformers are used to change the voltage in an electrical system from one voltage to another. So, currently, Hurricane City uses large transformers within substations to change the transmission voltage that comes into our city to a distribution voltage (7,200/12,470 V). It is good economics and healthy for the reliability of power to spread the substations out to larger clusters of power users. We then spread the distribution lines out from our substations all throughout the city to subdivisions and residences and businesses. That distribution voltage is still too high and dangerous to humans, appliances, machinery, structures, etc. So, we install smaller transformers all over the city that change the voltage from 7,200/12,470 V to safer and more useful voltages like 120/240 V (commonly residential) and 277/480 V (commonly commercial and industrial buildings). It is easy to understand that in order for anyone to receive power from the city, there has to be transmission lines, substations, distribution lines and distributed small transformers near them.

Just as you know that different sized water lines can deliver different amounts of water, different sized electrical wires can deliver different amounts of power. For the current and future residences and businesses on the south end of town, we have reached the limits of the wires that are installed there. In order to economically and reliably supply more power there, we need to add more transmission lines, substations, distribution lines, and distributed transformers. That infrastructure does not only benefit the future users. The addition of more infrastructure benefits all users because it adds redundancy and what we call a "backfeed". In the situation where one component of the infrastructure were to fail or be incapacitated, endangered or in need of maintenance or repair, we can feed the users from another direction without interruption. The additional infrastructure also provides more capacity so that the existing infrastructure that is at capacity can be relieved of the full burden.

The Power Department is constructing a substation (Three Falls Substation) near 1100 W. and 1250 S. Our plan is to reinsulate the existing power lines that run from 600 N. 1150 W. to Three Falls Substation so that we can energize that line temporarily at 69,000 Volts. When the easements and rights-of-way are obtained, and when finances permit us, we will construct a new permanent transmission line with distribution underbuild along the path approved by City Council. Those structures may possibly look like the "Structure D" in the photos below, but will most likely look like the "Structure E". They will have a static line at the top with fiber optics within the static and then a single circuit of transmission. Below that will have at least one circuit of distribution lines, but will likely have two circuits of distribution.

Considering the land mass and proposed development on the south end of town, we are planning another substation south of 3000 S. That substation will need transmission voltage. That is one of the reasons that we will need to run the transmission line out of the Three Falls Sub and south along 1100 W. Same as north of Three Falls Sub, we will first have to acquire easements and rights-of-way and accumulate the finances before we can construct those transmission lines. For the immediate future, we will have to upgrade the existing single circuit distribution line to a double circuit distribution line. That line won't look like "Structure B" below, it will likely look like "Structure A" but with a distribution circuit on either side of the crossarm. Instead of 2 wires on either side of the crossarm, there will be 3 wires on either side and one wire lower on the pole for the neutral. That will be a temporary construction until we can construct the permanent structures with a transmission circuit that will likely look like "Structure E".

Many people have asked, "Why can't you put the power underground?". We can put the distribution underground and we do quite a lot. It generally is around 4 to 5 times more expensive, but installed underground is more pleasing aesthetically. To install the transmission lines underground is a whole new ball game. The high voltage that is on those lines is very dangerous. In an attempt to make them safer, it is required to cap and even enclose the trench in concrete. In order to carry the amount of power needed for transmission line, the underground cable is very large in circumference. That in turn requires a lot of very large equipment just to be able to pull the cable into the conduits. The cable also requires special training to be qualified to terminate the ends. So, not even counting the expense of the equipment we would have to purchase and the training that would be required, the cost of installing underground transmission instead of overhead can run anywhere from 12 to 15 times more expensive. We have even seen figures as high as 20 times more expensive. We do not believe that it is fiscally responsible to spend that kind of money to go underground with transmission. We also don't believe the dangers are worth it. Because we do not put transmission underground, we operate with the logic that if a transmission line is running along a route and we need distribution along the same route, it makes perfect sense to combine them on the same poles.

Even as wordy as this letter is, this explanation doesn't even scratch the surface of the power industry. But hopefully it is at least helpful in understanding and clearing up some confusions about the main ideas and plans of the Power Department. If any of you need more clarity or just desire to understand more, please reach out to me. I am happy to explain as much as is needed to help anyone understand better.

The following pictures provide visual examples of different overhead structures:



Structure A. Single circuit of distribution lines. Wood pole. Approx. 38' high. (In the background is a 69,000 Volt transmission pole.)



Structure B. Double circuit of distribution lines. Wood pole. Approx. 43' high.



Structure C. Static wire (lightning protection and sometimes contains fiber optics inside it) at the top. Single Circuit of transmission lines. Wood pole. Approx. 52' high.



Structure D. Static wire (lightning protection and sometimes contains fiber optics inside it) at the top. Single circuit of transmission lines and single circuit of distribution lines underbuild. Wood pole. Approx. 52' high.



Structure E. Static wire (lightning protection and sometimes contains fiber optics inside it) at the top. Single circuit of transmission lines and double circuit of distribution lines underbuild with phone and cable under the distribution. Wood pole. Approx. 65' high.



Structure F. Static wire (lightning protection and sometimes contains fiber optics inside it) at the top. Double circuit of transmission lines. Double circuit of distribution lines underbuild with phone and cable under the distribution. Steel poles. Approx. 79' high.

List of Acronyms - Hurricane Power

A&G	Administration and General
AMI	Advanced Metering Infrastructure
BEA	Battelle Energy Alliance
BESS	Battery Energy System Storage
BofA	Bank of America
BLM	Bureau of Land management
BPA	Bonneville Power Authority
CAISO	California Independent System Operator
CF	Capacity Factor
CFPP	Carbon Free Power Project
COLA	Construction & Operating License Application
CR	Continuing Resolution
CREDA	Colorado River Energy Distributors Association
CRSP	Colorado River Storage Project
DAME	Day Ahead Market Enhancements
DEED	Demonstration of Energy & Efficiency Developments
DESRI	D.E. Shaw Renewable Investments
DCRA	Development Costs Reimbursement Agreement
DOE	Department of Energy
EA	Environmental Assessment
EDAM	Extended Day Ahead Market
EIM	Energy Imbalance Market
EIS	Environmental Impact Statement
EP	Emergency Plan
EPC	Engineering, Procurement and Construction
ER	Environmental Report
EV	Electric Vehicle
FERC	Federal Energy Regulatory Commission
FNTP	Final Notice To Proceed
FSAR	Final Safety Analysis Report
FTE	Full Time Employee
FY	Fiscal Year
HLH	High Load Hours
HSE	Health, Safety, and Environment
INL	Idaho National Laboratory
IPC	Idaho Power Company
JOA	Joint Operating Agreement
LGIA	Large Generator Interconnect Agreement
LLH	Low Load Hours
LLM	Long Lead Material
LOC	Line Of Credit
LOI	Letter Of Intent
LWA	Limited Work Authorization
M&O	Maintenance and Operation
MSA	Master Services Agreement

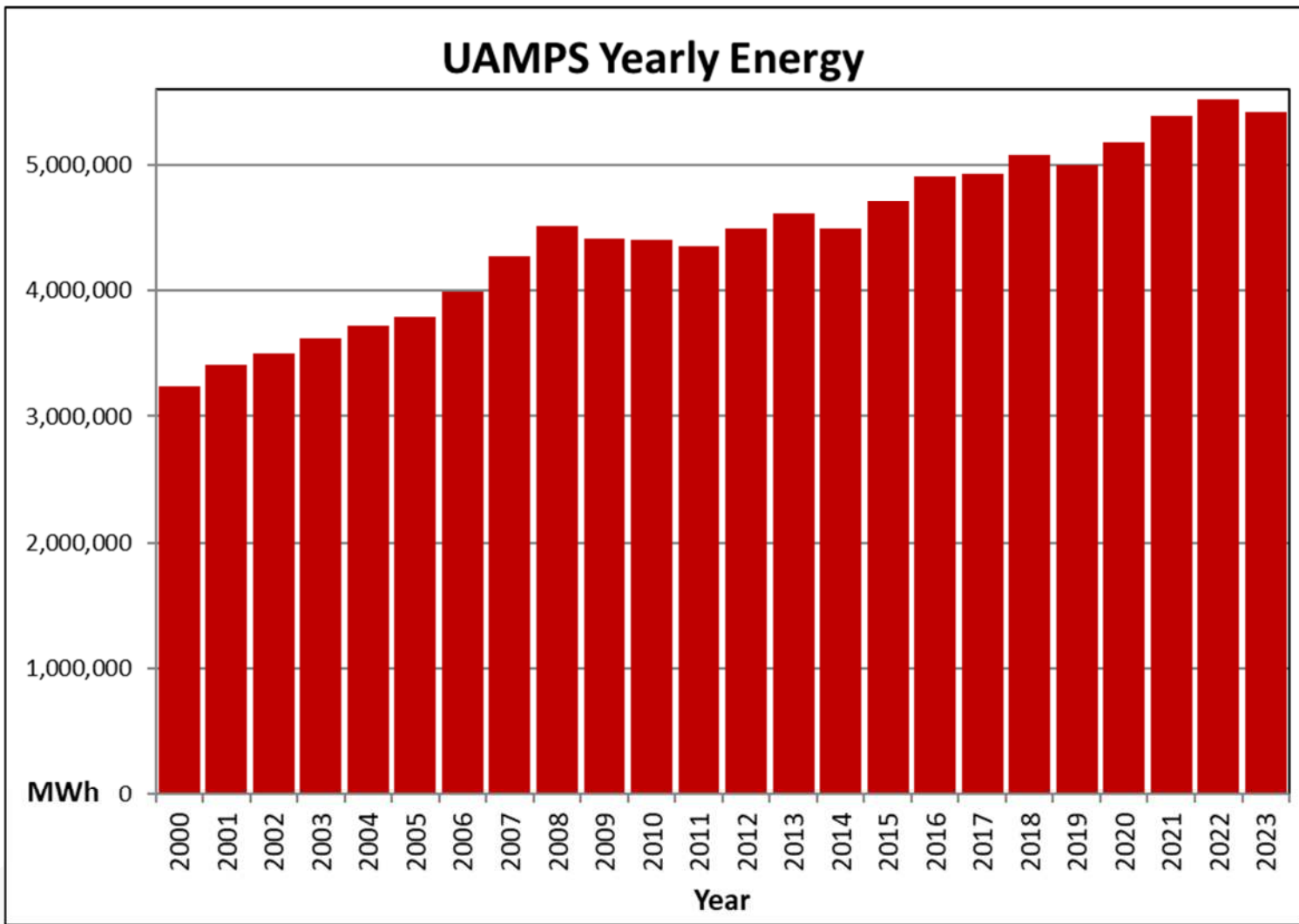
MTO	Material Take-Off
NEPA	National Environmental Policy Act
NERC	North American Electric Reliability Corporation
NRC	Nuclear Regulatory Committee
NTP	Notice To Proceed
OEM	Original Equipment Manufacturer
PAC	Pacificorp
PCE	Project Cost Estimate
PMC	Project Management Committee
PNM	Public Service Company of New Mexico
PPA	Power Purchase Agreement
PS	Compression and Shear
PSC	Power Sales Contract
PSC	Public Service Commission
PSHA	Probabilistic Seismic Hazard Analysis
PTD	Project To Date
PUD	Public Utility District
PV	Photo-Voltaic (Solar)
RAS	Remedial Action Scheme
REC	Renewable Energy Credit
RFP	Request For Proposal
RLOC	Revolving Line Of Credit
ROW	Right Of Way
SDA	Standard Design Approval Application
SPD	Standard Plant Design
SSHAC	Senior Seismic Hazard Analysis Committee
TEA	The Energy Authority
TEP	Tucson Electric Power
TO	Task Order
TSA	Transmission Service Agreement
TSR	Transmission Service Request
USGS	United States Geological Service
VHA	Volcanic Hazards Analysis
WAPA	Western Area Power Administration
WECC	Western Electricity Coordinating Council
YTD	Year To Date
ZLD	Zero Liquid Discharge

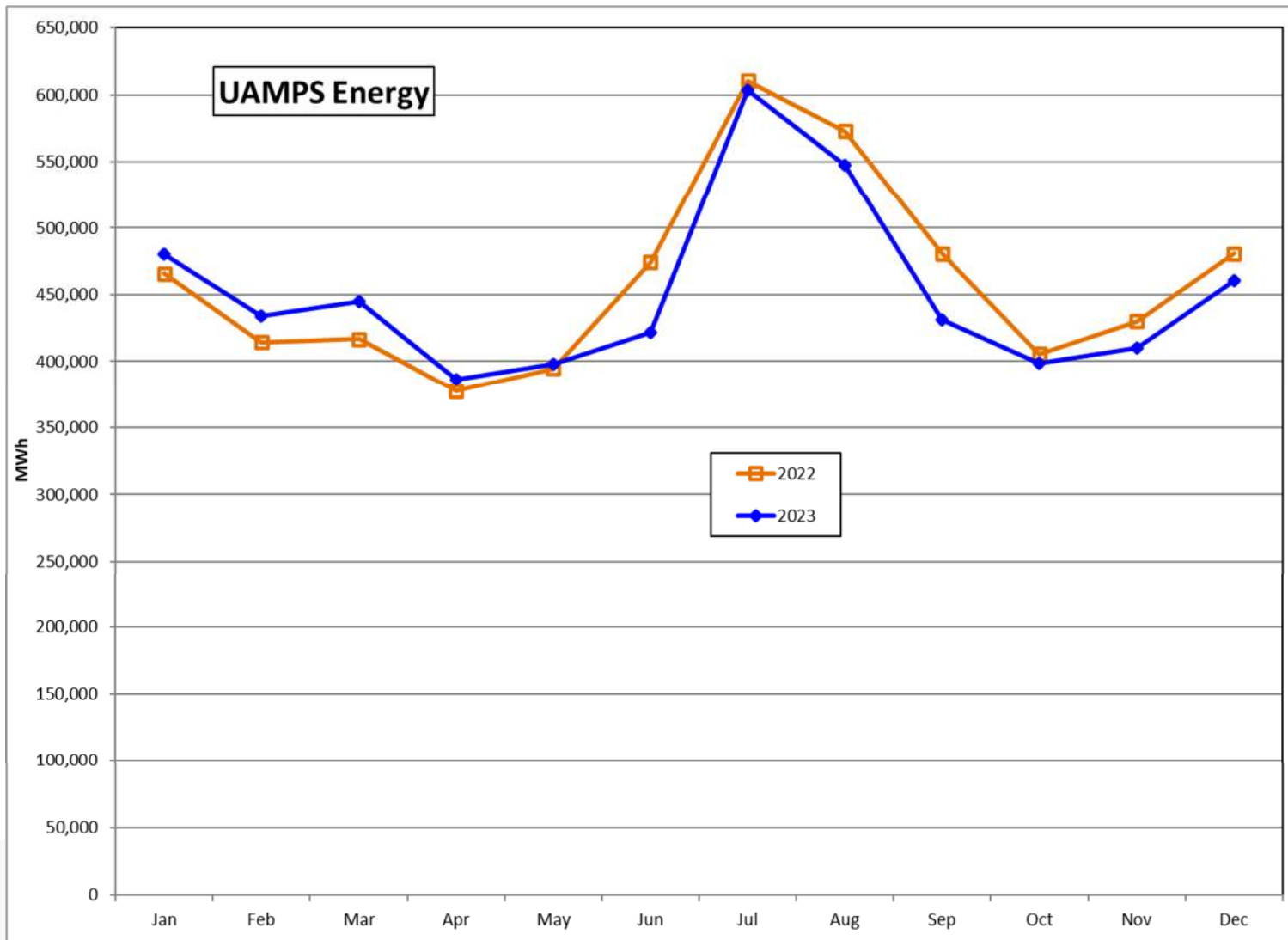
***PX & Scheduling Report
December 2023***

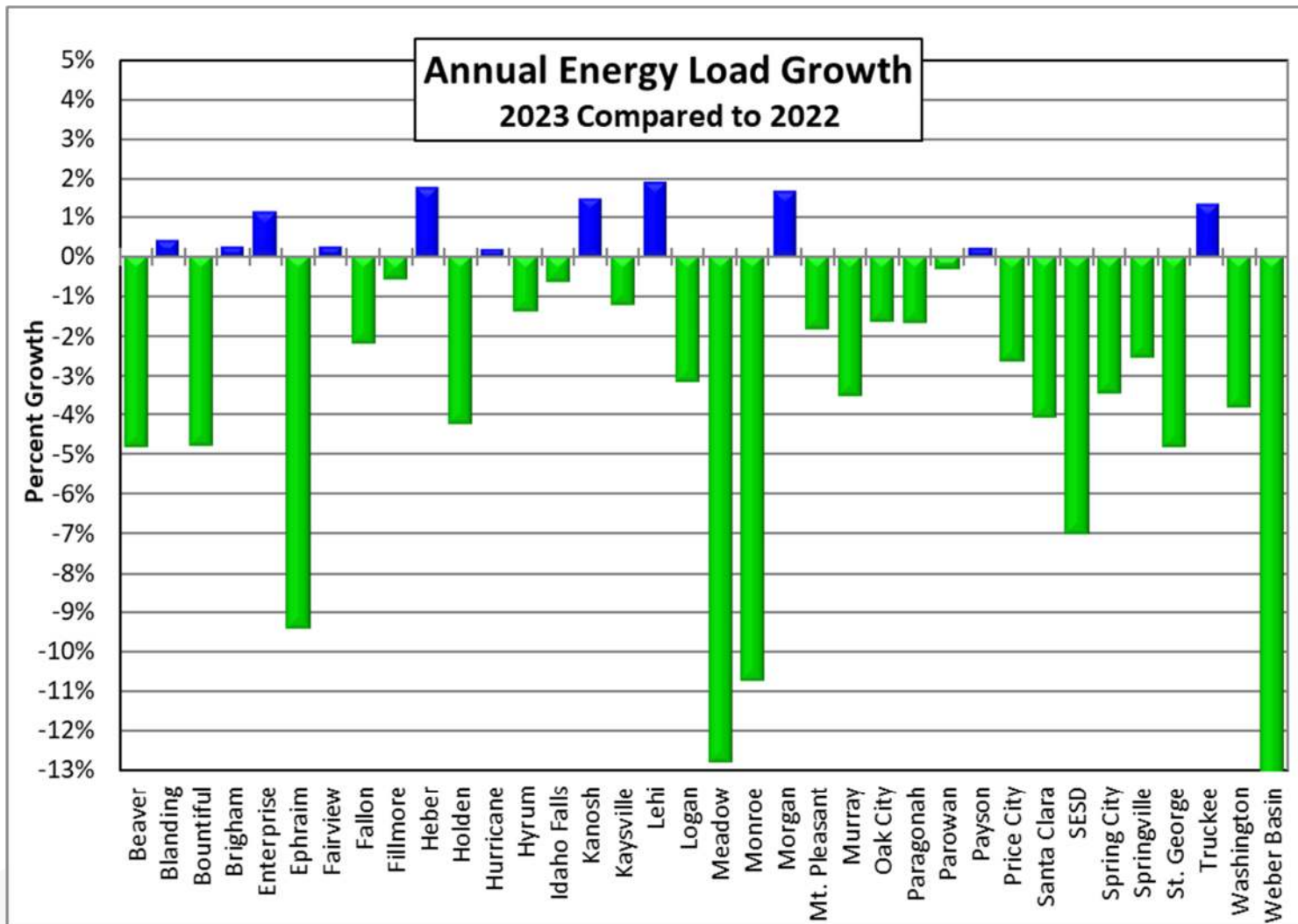
Pool Project



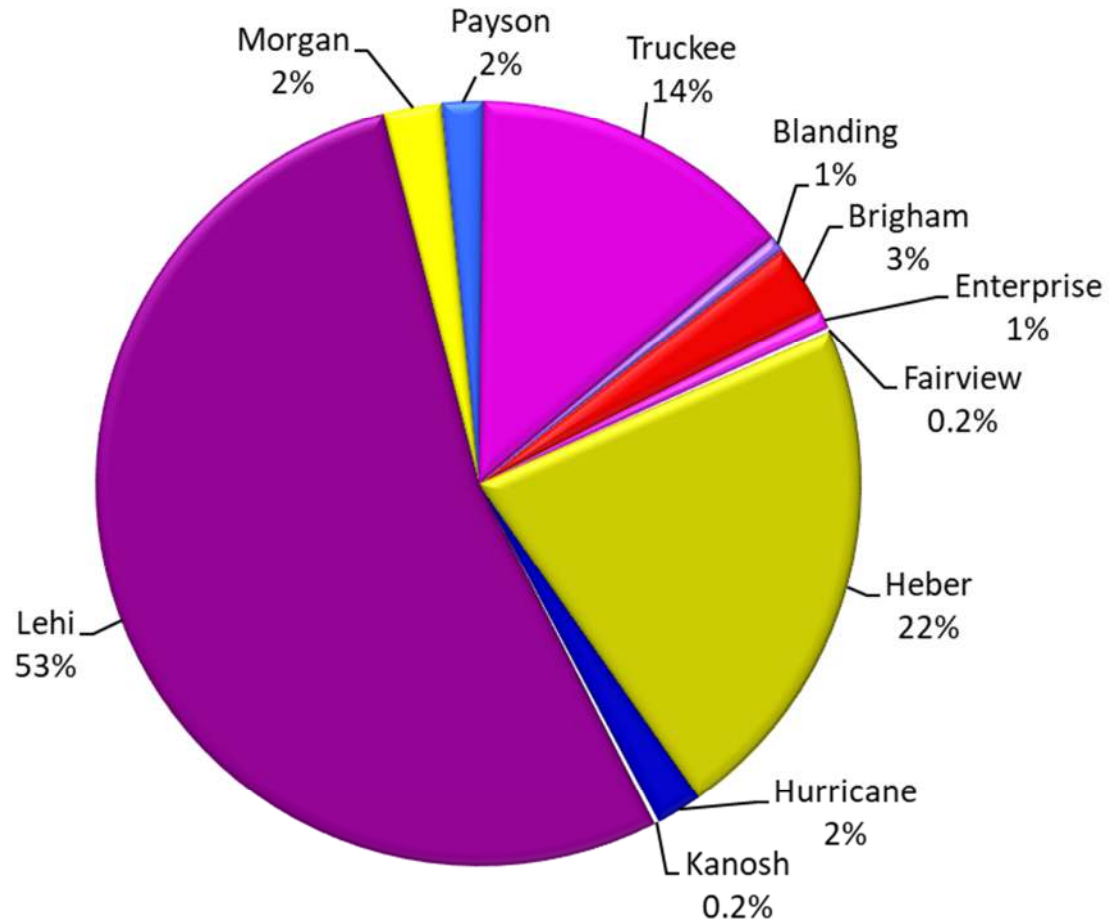
Kelton Andersen







Share of Total (Members w/ Positive 2023 Growth)



Overall Operations Report

Board of Directors



Rachel Stanford

Topic Discussions

- Natural Gas
 - Storage
 - Consumption for
 - Electricity Generation
 - Residential Need
- Industry News
 - CAISO EDAM/DAME Tariff Acceptance
- Seasonal Outlook
 - January Daily Forecast
 - Seasonal Outlook
 - Average Daily Temperatures
 - RT Wholesale Energy Prices
- Transmission
 - SunZia Updates
- Top 2023 Commissioner Quotes

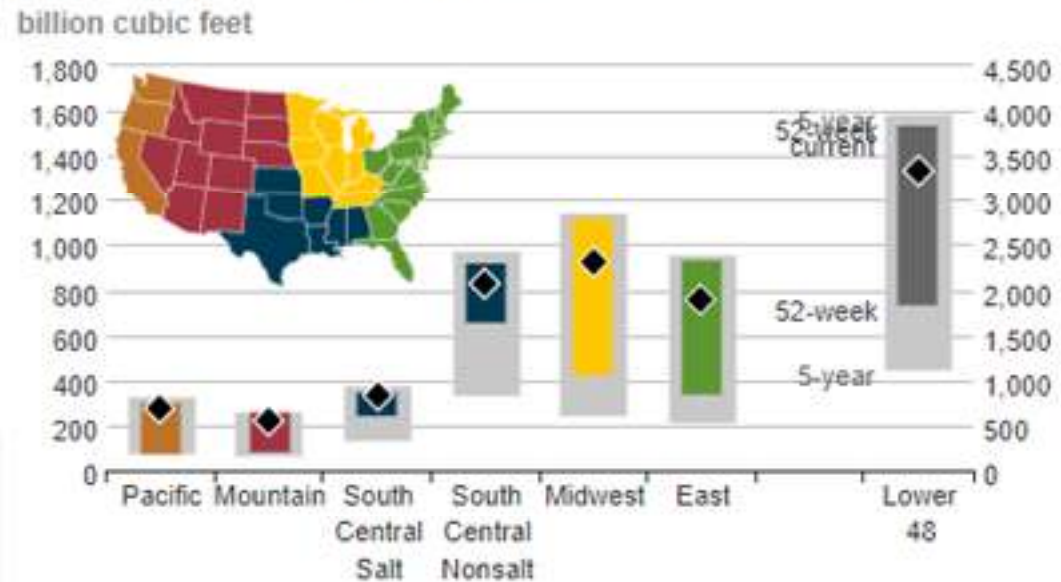


Natural Gas

National Gas Storage

- ❖ Pacific region saw 3% decrease & Mountain region saw 10% decrease from the previous month's reporting

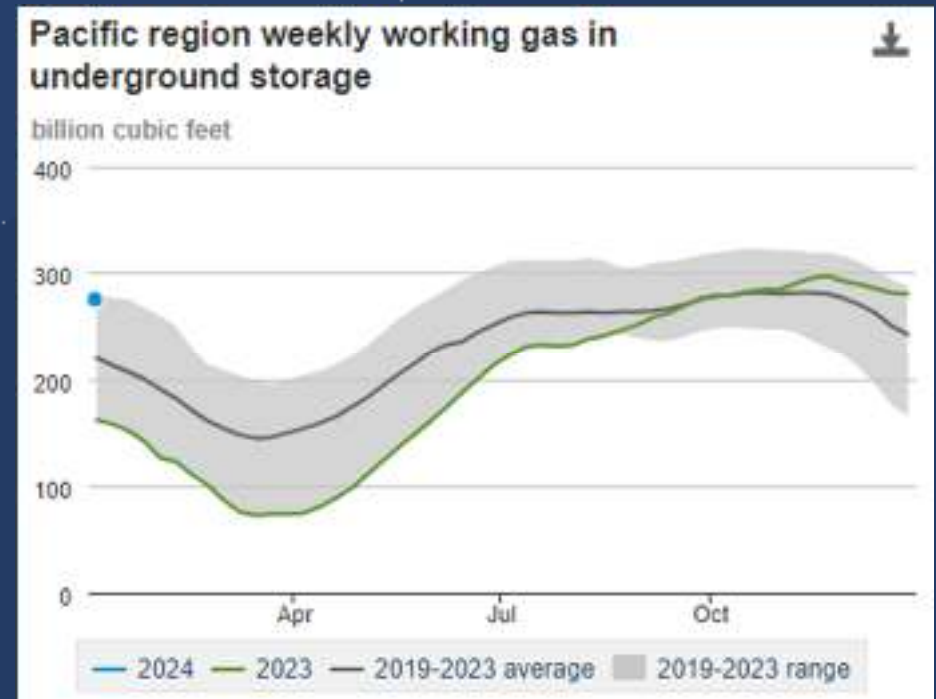
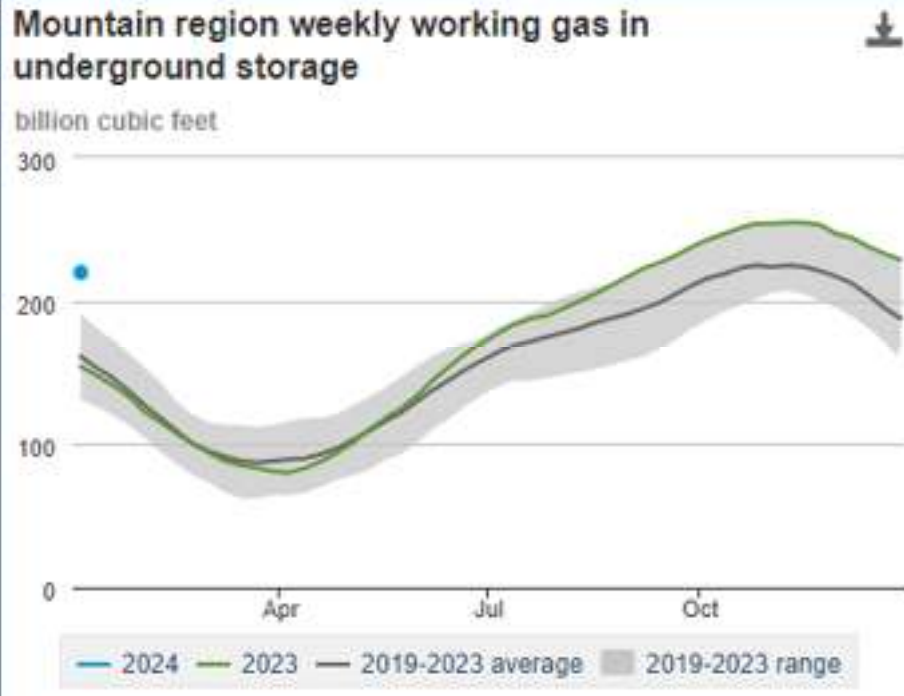
Underground working natural gas storage summary as of January 5, 2024



Underground storage capacity utilization



Pacific Region



Mountain Region

Daily Lower 48 Natural Gas Consumption

Daily Lower 48 natural gas consumption for electricity generation



Daily Lower 48 natural gas consumption for residential/commercial use

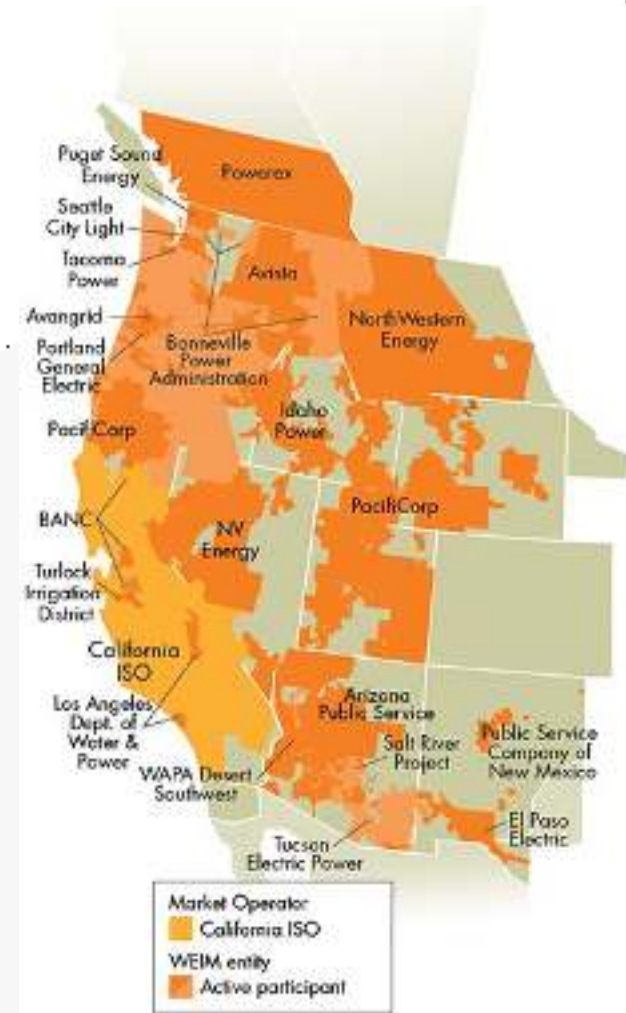




Industry News

CAISO EDAM/DAME TARIFF APPROVED

- FERC approved CAISO Tariff effective 12/21/2023
 - FERC rejected the EDAM access charge which allows transmission owners to recover lost transmission revenues as a result from participation in the day-ahead market
 - Anticipate CAISO to initiate a stakeholder process to revise and refile Q1 2024
 - PacifiCorp expected to initiate its stakeholder process Q1/Q2 2024



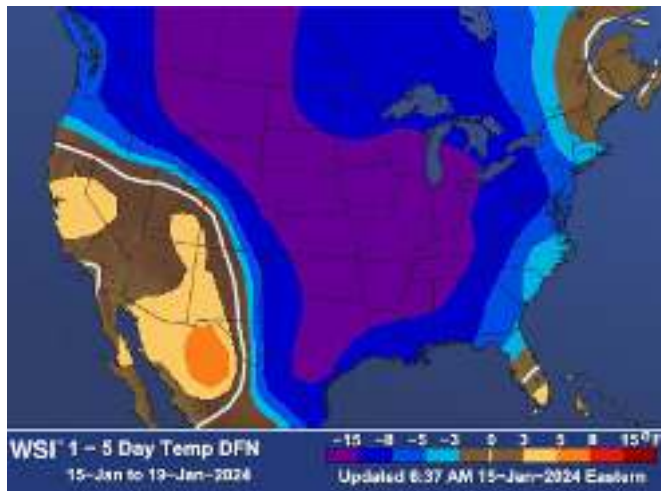
Seasonal Outlook



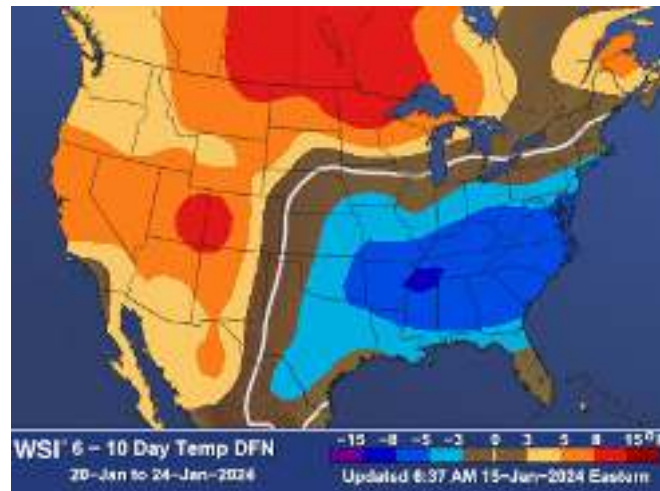
LLAMPS



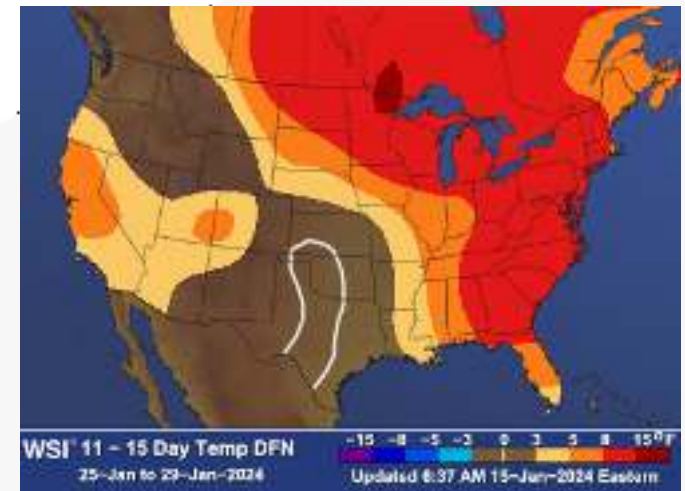
January Forecast



1-5 Day Forecast

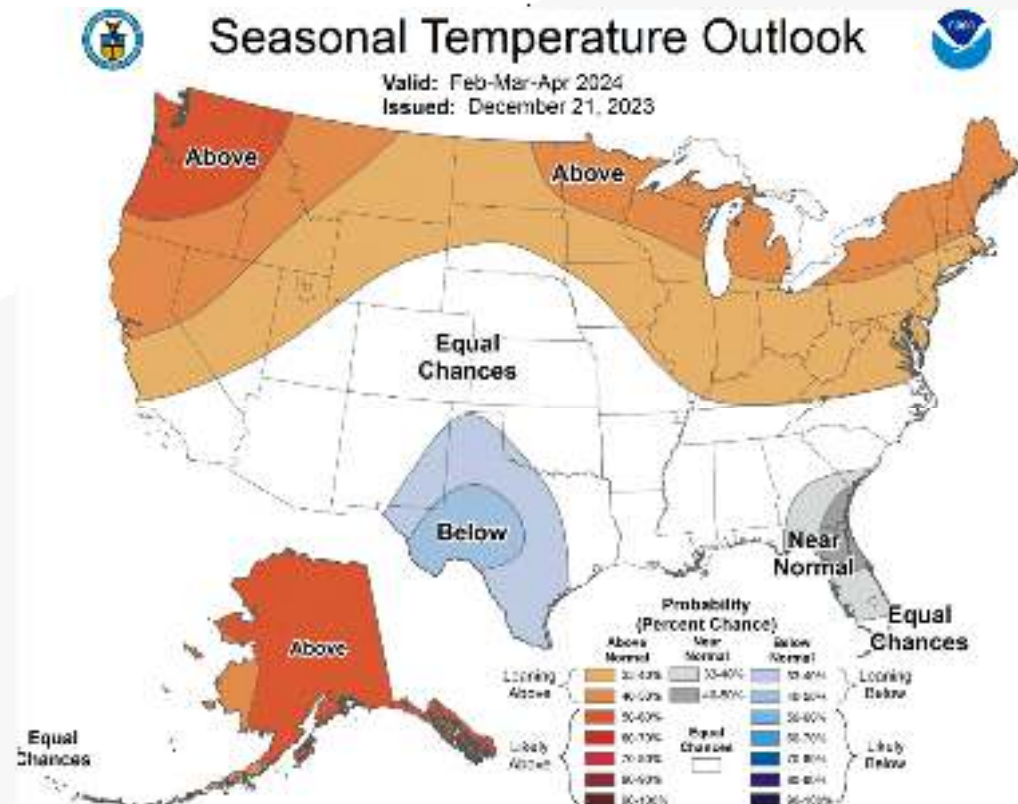
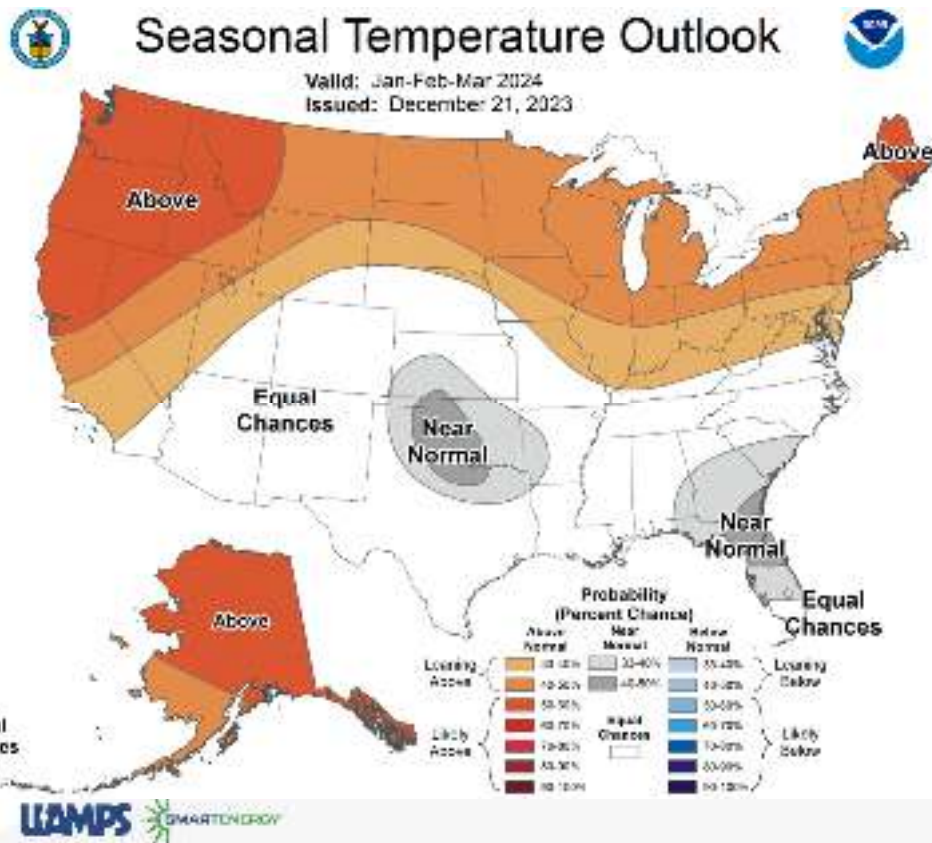


6-10 Day Forecast



11-15 Day Forecast

Seasonal Outlook From Prior Month

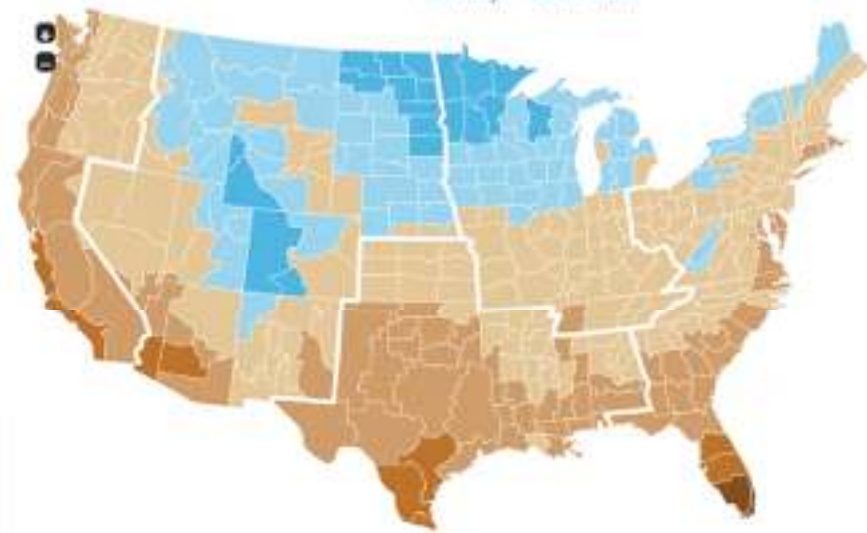


Average Daily Temperature December 30 thru January 11

Average daily temperature for December 30, 2023

degrees Fahrenheit

▶ Play || Pause

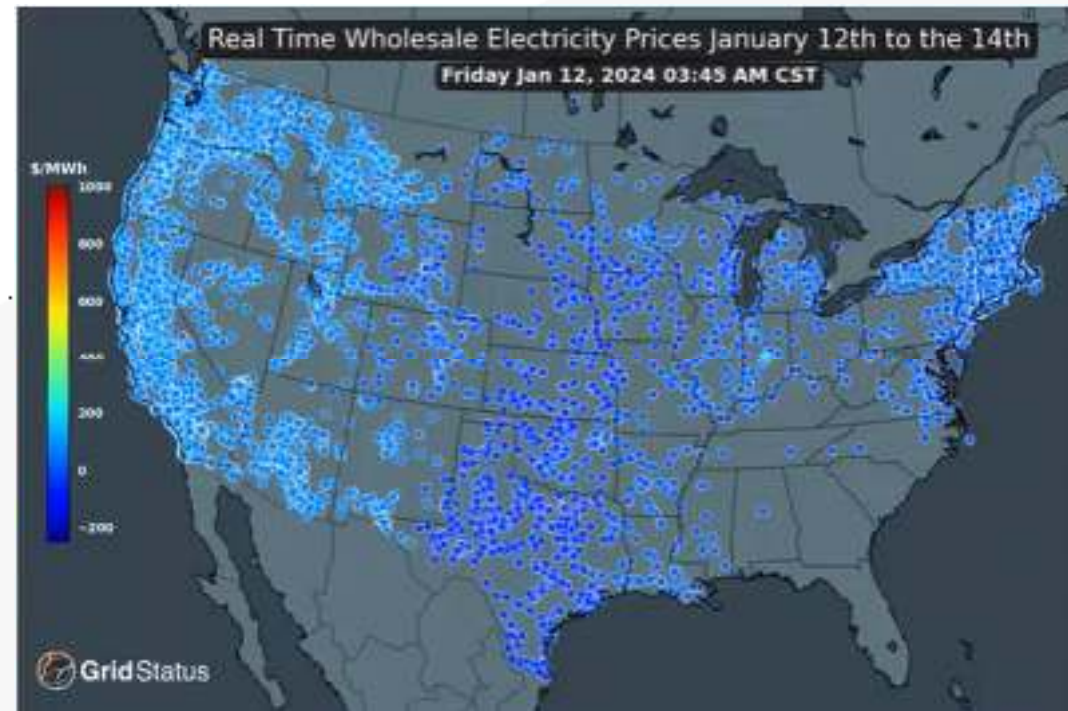


degrees Fahrenheit



Winter Weather Drives Wholesale Pricing

- Despite briefly experiencing high prices in the Pacific Northwest on the 12th, it was not until the 13th and 14th that a combination of winter weather and an outage at the Jackson Prairie Underground natural gas storage facility led to consistently elevated prices.
- Alberta's “Energy Emergency Alert” (EEA) also stressed the region.



Transmission



SunZia

- SouthWestern Power Group initiated the SunZia project
- 550 miles of high voltage transmission line (500kV)
- Will provide 3,000 MW's of bi-directional power between Arizona and New Mexico
- **Secured \$11 billion in funding**
 - \$8 construction costs
 - \$2.25 tax equity term loan
- Proposed in service early **2026**
- **Investigating CAISO EIM participation**
 - “subscriber participating transmission owner” (waiting for FERC approval)
 - Transmission under CAISO operational control to connect out of state generation



A word cloud of energy-related terms on a dark background. The words are arranged in a roughly circular shape and vary in size and color. The colors include shades of green, orange, red, and yellow. The words are: costs, deficiencies, infrastructure, processes, policies, capacity, environmental, markets, supply, ferc, interconnection, operations, renewables, extreme, weatherization, transmission, urgency, reliability, complex, network, robust, resources, complex, network, robust, justice, cumbersome, and cumber



***Eagle Incidental Take Permit
Renewal Update***

**Horse Butte
Wind Project**



January 16, 2024

Topic Discussions

- Permit Renewal
- Mitigation Plan

Permit Renewal

- Submitted renewal application October 27, 2023
- Received proposed terms December 29, 2023
 - Risk model 2.6 GE/yr and 0.02 BE/yr
 - Mitigation = 203 high-risk pole retrofits first 5-year period
 - New eagle fatality monitoring methods

Mitigation Plan

- 203 pole retrofits
- 95 credits
- 108 retrofits required
- \$194,404 left in retrofit budget
- \$3,500/retrofit budgeted
- Met with EDM
- Gauging member interest
 - 5-10 interested in participating



Summary

- Permit renewal in process
- Mitigation planning
 - Need 5-10 interested members

CARBON FREE POWER PROJECT



FINANCIAL UPDATE

CFPP Key Financial Reporting Items - Nov 2023

- Key financial reporting items for the Carbon Free Power Project:
 1. Project to Date thru 11/30/2023 financial position is a deficit of ~\$6.0M (net of exit payments totaling \$1.2M and DCRA reimbursement payment of \$49.8M)
 - total project revenue = ~\$246.4M
 - total gross expenses = ~252.4M
 - interest expense and bank fees total ~\$2.2M
 2. BofA current outstanding balance is \$16.0M
 - Draw for uninvoiced Costs (Net) thru Nov 2023 of ~\$1.2M
 - Draw for Nov 2023 related invoices - \$600K
 - Nov 2023 invoice was submitted on 1/10 – DOE Payment will be \$11.8M that will be used to Paydown the LOC
 3. Upon completion of the wind-down efforts, the expectation is that the financial exposure to the CFPP participants net of the exit payments (10) would be no greater than \$5.4M
 - ❖ only one participant will need to participate in the take-out financing

UAMPS CFPP - November 2023

- YTD Surplus/Deficit thru 11/30/2023 = \$0
 - Total Revenue \$583,515
 - Paid by CFPP LLC - \$583,515
 - Total Expenses - \$583,515
 - UAMPS Allocated A&G = \$583,515(regular monthly invoices to CFPP LLC – Apr 2023 thru Nov 2023, or 8 mos. of FY2024)
 - eligible costs voluntarily deemed ineligible
 - ~\$27.7k overbudget (5.0%)
 - Single Audit for CFPP accounted for as a direct project cost under the CFPP LLC DOE award booked in Aug 2023
- Finance costs and other bank fees for use of UAMPS' LOC, EIM Fund and BofA LOC during FY2024 (thru Nov 2023) - \$1,315,254 (ineligible cost)
 - Interest expense for Nov 2023 = \$87,307
 - Interest expense under DOE award (Nov 2020 thru Nov 2023) = ~\$2.17M
 - PTD interest expense and bank fees (Apr 2015 thru Nov 2023) = ~\$2.20M

	OPERATIONS FOR THE MONTH OF NOVEMBER 2023		CFPP OPERATIONS FOR THE YEAR TO DATE ENDING NOVEMBER 30, 2023		TWELVE MONTH ANNUAL BUDGET
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET
<u>REVENUES:</u>					
FIXED COST REVENUE (447)	-	-	-	-	-
PRODUCTION REVENUE (447)	-	-	-	-	-
ADMINISTRATION FEE REVENUE (447)	64,072	69,476	583,515	555,808	833,712
TOTAL REVENUE	64,072	69,476	583,515	555,808	833,712
<u>EXPENDITURES</u>					
<u>FIXED COSTS:</u>					
DEBT SERVICE COSTS:					
DEBT SERVICE (427-429)	-	-	-	-	-
LESS PROJECT INTEREST INCOME (419)	-	-	-	-	-
NET DEBT SERVICE	-	-	-	-	-
CAPITAL COSTS:					
CAPITAL IMPROVEMENTS (107)	-	-	-	-	-
LESS BOND FUNDS/RESERVES (136)	-	-	-	-	-
LESS INTEREST ON PROJECT/RESERVE FUNDS	-	-	-	-	-
NET CAPITAL COSTS	-	-	-	-	-
OPERATION & MAINTENANCE COSTS:					
PROPERTY TAXES (408)	-	-	-	-	-
DIRECT O&M (Multiple)	-	-	-	-	-
PURCHASED CAPACITY (555)	-	-	-	-	-
UAMPS A&G EXPENSE (Multiple)	64,072	69,476	583,515	555,808	833,712
MAJOR OVERHAUL RESERVES (107)	-	-	-	-	-
NET OPERATION & MAINTENANCE	64,072	69,476	583,515	555,808	833,712
TOTAL FIXED COSTS	64,072	69,476	583,515	555,808	833,712
VARIABLE COSTS					
ENERGY (501,555)	-	-	-	-	-
TRANSMISSION (515,565,568,569)	-	-	-	-	-
RESERVES (555)	-	-	-	-	-
SCHEDULING (921)	-	-	-	-	-
NET VARIABLE COSTS	-	-	-	-	-
TOTAL EXPENDITURES	64,072	69,476	583,515	555,808	833,712
NET MARGIN (DEFICIT)	0	-	0	-	-
MWH'S TO LOAD	-	-	-	-	-
PROJECT COST \$/MWH	-	-	-	-	-
PRODUCTION \$/MWH	-	-	-	-	-



CFPP - Project to Date thru November 2023

- PTD Deficit = ~\$6.0M (Apr-2015 thru Nov-2023)
 - Total Project Funding = ~\$246.4M:
 - Participant Revenue = ~\$1.7M (~\$826K to non-participating members)
 - \$885.6K – participating members)
 - Cost Sharing from DOE (current cost sharing ratio – 79%) = ~\$182.7M
 - Projected Cost Sharing from DOE (un-invoiced costs – 79%) = ~\$8.2M
 - Cost Sharing from NuScale = ~\$2.7M
 - DEED Grant = \$125K
 - Exiting Participant Payments = ~ \$1.2M (8 and 1 and 1 exiters)
 - DCRA Reimbursement Payment from NuScale = \$49.8M
 - Total gross expenses = ~\$252.4M
 - UAMPS A&G = ~\$4.5M
 - Interest expense incurred = ~\$2.3M
 - Initial Core Boring = ~\$890.1K
 - Travel & Misc Expense = ~\$613.9K
 - Owners' engineering costs = ~\$17.0M
 - Legal costs = ~\$3.9M
 - COLA development = ~\$175.5M
 - LLM payments = ~\$47.7M

CFPP – DOE Invoicing (New Award)

- DOE funding from 11/1/2020 thru 11/30/2023 = ~\$179.0M
- DOE invoicing is as follows:
 - payments received from the DOE to date (Nov 2020 thru Oct 2023) = ~\$167.2
 - Oct 2023 invoice was submitted on 12/08/2023 – DOE payment received on 12/21/2023 - ~\$11.8M
 - Nov 2023 invoice was submitted to the DOE on 1/10/2024
 - invoice payments from the DOE on average are:
 - received 12 days after submittal
 - received 76 days after month-end (exclude outliers)

CFPP – B of A Revolving LOC

- Closed on the original RLOC 9/16/2021 = \$35.0M – maturity of 9/30/22
 - i. 1st Amendment to RLOC – Increase by \$15M (or to \$50M) with 6 add'l months until maturity, or 3/31/2023
 - ii. 2nd amendment to RLOC – Increase by \$35M (or to \$85M) with borrowing restricted as of 3/31/2024, maturity date of 3/31/2025
 1. Current outstanding balance as of 1/16/2024 - \$16.0M
 - a. Tax Exempt Note – \$0.0M
 - b. Taxable Note - \$16.0M
 2. Draws (41) thru 1/16/2024 = \$209.8M
 - a. Original draws (2) = \$7.1M
 - b. Additional draws to cover vendor invoice (39) = \$202.7M
 3. Paydowns (26) thru 1/16/2024 = \$193.8M
 - a. On 11/16/2023, Settlement Payment from NuScale was used to pay in full the balance of the taxable and tax-exempt note
 - b. DOE November 2023 monthly invoice payment will be ~\$11.8
 4. Conversion of Taxable Note to Tax Exempt (22) thru 1/16/2024 = \$39.9M (Post terminated project – no more conversions)
 5. Interest and bank fees thru 11/30/2023:
 - a. Unused fees and other bank fees = \$204.5k
 - b. Interest on Taxable Note = \$959.3k
 - c. Interest on Tax Exempt Note = \$1.06m

CFPP - Termination of Project

- Settlement Payment

- Direct payment - \$49,768,908 received on 11/9/2023
- Letter of Credit Security - \$5,000,000 (Wind-Up Costs)
 - Access to these funds would be available to CFPP LLC if NuScale does not pay the net wind-down costs as required by the Agreement

- Cash Flow Analysis

- Paydown the current lines of credit totaling \$45.4M on 11/16/2023
- Reduced the capacity of the BofA revolving line of credit from \$85M to \$25M on 11/16/2023
- Continued use of the BofA LOC at reduced capacity – draws and paydowns as needed on the taxable note - No conversions needed
- Continue to submit DOE invoices consistent with the award thru completion of wind-down efforts
- Upon completion of the wind-down efforts, the expectation is that the financial exposure to the CFPP participants net of the exit payments (10) would be no greater than \$5.4M

Estimated CFPP Financial Exposure By Participant

effective date - 3/01/2023

CFPP Participant	Entitlement Share kW	Development Cost Share Percentage *	Estimated FINAL Financial Exposure \$5,400,000
Beaver	2,155	1.7972%	97,049
Blanding	2,500	2.0850%	112,590
Brigham City	15,250	12.7183%	686,788
Enterprise	392	0.3269%	17,653
Ephraim	8,000	6.6719%	360,283
Fairview	900	0.7506%	40,532
Fallon	2,000	1.6680%	90,072
Fillmore	3,019	2.5178%	135,961
Holden	500	0.4170%	22,518
Hurricane	20,000	16.6796%	900,698
Hyrum	10,000	8.3399%	450,355
Idaho Falls	5,000	4.1699%	225,175
Kanosh	300	0.2502%	13,511
Los Alamos	8,600	7.1723%	387,304
Monroe	1,200	1.0008%	54,043
Mt. Pleasant	3,000	2.5020%	135,108
Oak City	500	0.4170%	22,518
Paragonah	200	0.1668%	9,007
Parowan	2,000	1.6680%	90,072
Payson	5,000	4.1699%	225,175
Santa Clara	5,000	4.1699%	225,175
SESD	3,000	2.5020%	135,108
Spring City	400	0.3336%	18,014
Washington	17,990	15.0034%	810,184
Weber Basin	2,000	1.6680%	90,072
Wells Rural Electric Coop	1,000	0.8340%	45,036
Total	119,906	100.0000%	\$ 5,400,000



CFPP Take-Out Debt By Participant

- Per inquiry of CFPP participants, the financial position of each participant net of participant revenue collected up thru March 2018 will be handled as follows:
 - one participant will be participating in the take-out debt
 - all others will be using existing reserve funds available to them to pay their proportional share of the final financial position of the project
- Internal financial team will meet to discuss the timeline associated with taking out the current BofA LOC, have funds available to pay project costs post 3/31/2024, determine financing of the take-out debt to be in compliance with Power Sales Contracts (participants) and the Revolving Credit and Security Agreement (BofA)

***Budget Amendment #11 –
Hunter Capital/O&M, Energy, and
Fuel Rate Shortfalls for FY2024***

**Financial
Report**



January 16, 2024

Hunter Capital/O&M, Energy and Fuel Rate Shortfalls

Key Item Takeaways

- As of 11/30/2023, the current YTD overbudget position for Capital/O&M based on unbudgeted work as well as inflationary pressures is \$181,804
- As of 11/30/2023, the current YTD overbudget position for Energy based on reduced operations of the Hunter Project is \$422,831
- Effective 8/1/2023, the amended fuel rate was \$31.51 per MWh (budget amendment #6)
 - Recently purchased Deseret coal (45,000 tons at \$81.50 per ton), or \$40.61 per MWh
 - PAC coal provided by the operator originally calculated for FY2024 at \$21.35 per MWh
 - Budget amendment #6 usage ratio was 50:50 (Deseret/PAC)
 - **Actual usage ratio is expected to be close to 100:0 (all Deseret coal)**

Proposed Action

1. Overbudget position for Capital/O&M to be monitored until 3/31/2024, or FY2024 end
2. Overbudget position for Energy to be collected over the final 4 power bills of FY2024
3. The fuel rate for the remaining 4 mos of FY2024 needs to be increased to \$39.50 per MWh to reflect the per MWh pricing of the Deseret coal

Hunter Capital / O&M Shortfall

- Per discussion with the Hunter Plant Manager, the Capital/O&M pressures were related to the following:
 - capital projects that were not included in the budget received from PAC
 - inflationary pressures on capital and O&M

This has resulted in a capital / O&M deficit position totaling \$181,804 YTD thru 11/30/2023

- Over the past two months the deficit has decreased by ~\$186K
- **Recommendation** – Continue to monitor the Capital / O&M deficit and see if the deficit is able to resolve itself by fiscal year end, or 3/31/2024

No Budget Amendment – Monitor Capital / O&M thru 3/31/24

<u>Members</u>	<u>Hunter Entitlement</u>		\$ 181,804
	<u>KW</u>	<u>%</u>	<u>Energy Budget Increase</u>
Beaver	1,784	2.8452%	\$ 5,173
Enterprise	649	1.0351%	1,882
Ephraim	1,023	1.6316%	2,966
Fairview	603	0.9617%	1,748
Fillmore	3,091	4.9297%	8,962
Heber	3,783	6.0334%	10,969
Holden	408	0.6507%	1,183
Hurricane	1,347	2.1483%	3,906
Hyrum	2,571	4.1004%	7,455
Kanosh	258	0.4115%	748
Kaysville	5,457	8.7032%	15,823
Lehi	1,696	2.7049%	4,918
Logan	12,677	20.2182%	36,757
Meadow	226	0.3604%	655
Monroe	498	0.7942%	1,444
Morgan	422	0.6730%	1,224
Mt. Pleasant	172	0.2743%	499
Murray	22,502	35.8878%	65,245
Oak City	422	0.6730%	1,224
Parowan	2,191	3.4944%	6,353
Payson	642	1.0239%	1,862
Santa Clara	82	0.1308%	238
Spring City	197	0.3142%	571
	62,701	100.0000%	\$ 181,804

Hunter Energy and Fuel Rate Shortfalls

- Reduced operation thru 11/30/2023 is significant
 - Forecasted YTD – 210,707 MWh
 - Actual production YTD – 70,300 MWh
- Contractually required to use Deseret coal prior to usage of PAC coal
- As a result, actual usage ratio effective 8/1/2023 may be 100:0, or 100% Deseret coal which was estimated to cost \$40.61 per MWh
 - Effective 8/1/2023, when the Deseret coal was purchased, the amended fuel rate was set at \$31.51 per MWh per budget amendment #6
 - Based on a deficit position of \$422,831 and MWh to load from Aug thru Nov 2023 of 54,464 MWh, the fuel rate used to collect energy revenue from the Hunter participants was short by \$7.76 per MWh
 - During FY2024 thru Dec2023, we've received 56k tons of coal from PAC, 45k tons from Deseret, and burned 7.3k PAC tons prior to 8/1 and 30.7k Deseret tons after 8/1
- **Recommendation** – Using the final 4 power bills:
 - collect the 11/30/2023 YTD energy deficit of \$422,831
 - use a fuel rate reflective of Deseret Coal, or \$39.50 per MWh

Hunter Fuel Rates Summary

- Fuel Rates Summary:

		Fuel Rates \$ Per MWh		
<i>PacifiCorp</i>	Original Fuel Rate - FY2024	\$	21.35	<i>original FY2024 UAMPS budget</i>
<i>PacifiCorp</i>	Revised Fuel Rate - FY2024	\$	22.39	<i>increase to \$ per MMBTU</i>
<i>Deseret</i>	\$81.50 Coal Fuel Rate - FY2024	\$	40.61	<i>100% Deseret coal at \$81.50 per ton</i>
<i>Blended</i>	\$81.50 Coal Fuel Rate - FY2024	\$	31.51	<i>budget amendment #6 (50:50 usage ratio)</i>

Budget Amendment #11 – Fuel Costs Budget Increase

FY2024 - HUNTER FORECASTS (MWH):

Dec-23	29,031
Jan-24	29,031
Feb-24	26,221
Mar-24	29,031
	<hr/>
	113,314
Blended Fuel Rate - Hunter Project	\$ 39.50
	<hr/>
Total Energy Costs (Dec thru Mar) @ \$39.00	\$ 4,475,892
Amended Energy Budget (Dec thru Mar) @ \$31.51	<hr/> 3,571,649
Budget Amendment #11 - Energy Costs	\$ 904,244

Total Budget Amendment #11 Increase Per Participant

Members	Hunter Entitlement		\$422,831	\$904,244	\$ 1,327,074
	KW	%	Energy Deficit Increase	Energy at \$39.50 Increase	Energy Budget Increase
Beaver	1,784	2.8452%	\$ 12,031	\$ 25,728	\$ 37,759
Enterprise	649	1.0351%	4,377	9,360	13,736
Ephraim	1,023	1.6316%	6,899	14,753	21,652
Fairview	603	0.9617%	4,066	8,696	12,763
Fillmore	3,091	4.9297%	20,844	44,577	65,421
Heber	3,783	6.0334%	25,511	54,557	80,068
Holden	408	0.6507%	2,751	5,884	8,635
Hurricane	1,347	2.1483%	9,084	19,426	28,509
Hyrum	2,571	4.1004%	17,338	37,078	54,416
Kanosh	258	0.4115%	1,740	3,721	5,461
Kaysville	5,457	8.7032%	36,800	78,698	115,498
Lehi	1,696	2.7049%	11,437	24,459	35,896
Logan	12,677	20.2182%	85,489	182,822	268,310
Meadow	226	0.3604%	1,524	3,259	4,783
Monroe	498	0.7942%	3,358	7,182	10,540
Morgan	422	0.6730%	2,846	6,086	8,932
Mt. Pleasant	172	0.2743%	1,160	2,481	3,640
Murray	22,502	35.8878%	151,745	324,513	476,258
Oak City	422	0.6730%	2,846	6,086	8,932
Parowan	2,191	3.4944%	14,775	31,598	46,373
Payson	642	1.0239%	4,329	9,259	13,588
Santa Clara	82	0.1308%	553	1,183	1,736
Spring City	197	0.3142%	1,328	2,841	4,170
TOTAL	62,701	100.0000%	\$ 422,831	\$ 904,244	\$ 1,327,074

Impact of Shortfalls and Fuel Rate Adj to Hunter Project Cost Per MWh

YTD thru Nov 2023

	\$ 6,924,206	YTD Actual Expenses thru 11/30/2023
	-	Capital / O&M Deficit thru 11/30/2023
	-	Energy Deficit thru 11/30/2023
	<u>\$ 6,924,206</u>	Adjusted YTD Actual Expenses thru 11/30/2023
38%	70,300	MWH to Load YTD thru 11/30/2023
	\$ 98.50	\$ per MWH YTD thru 11/30/2023

Dec 2023 thru Mar 2024

	\$ 5,396,219	Original Total Expenditures (Dec thru Mar 2024)
	<u>2,056,644</u>	Energy Costs - Fuel Rate Differential (\$39.50 less \$21.35)
	\$ 7,452,863	Adjusted Total Expenditures (Dec thru Mar 2024)
62%	113,314	MWH to Load (Dec thru Mar 2024) - Original Forecast
	\$ 65.77	\$ per MWH YTD thru 11/30/2023

Projected FY2024 Totals

	\$ 14,377,069	Total FY2024 Expenses
100%	183,614	Total FY2024 MWH to Load
	\$ 78.30	\$ per MWH for FY2024

Staff Recommendation

- Continue to monitor the **Capital / O&M** deficit of \$181,804 and see if this deficit is able to resolve itself by fiscal year end, or 3/31/2024.
- Collect the 11/30/2023 YTD overbudget position for **Energy** totaling \$422,831 evenly over the remaining 4 months of power bills (Dec 2023 thru Mar 2024)
- Effective 12/1/2023, use the **revised amended fuel rate** of \$39.50 per MWH from Dec 2023 thru Mar 2024

EIM Participation

Payson Project



Jordan



UAMPS is still evaluating EIM Potential

- Working with consultants to evaluate cost of entry and participation
 - Hardware
 - Software
 - Training
 - Gap Analysis
- Fuel Options and Risks
- CAISO's EDAM Tariff has been approved at FERC
 - Currently PAC has signaled an intent to join EDAM
 - Spring 2026

UAMPS working with consultants

- UAMPS is currently working with
 - Emerson- Hardware needs
 - Metering, Communications, Plant Software and Hardware
 - TEA or UtiliCast
 - Gap analysis from an operations perspective
 - Software
 - Staffing
 - Training
 - TEA
 - Fuel Analysis
 - Volumes and Price volatility

Government and Public Affairs Project



Mike Squires

Government and Public Affairs Project



Mike Squires



◦ STATE OF UTAH ◦

Iowa and the Next Primary Steps



Results as of 8:00 p.m. 1.15.24

Trump: 53%
DeSantis:
20%
Haley: 20%



Trump: 44%
Haley: 28%
DeSantis: 7%

Delegate Count:
Trump: 17
DeSantis: 5
Haley: 5



Trump: 54%
Haley: 25%
DeSantis: 7%



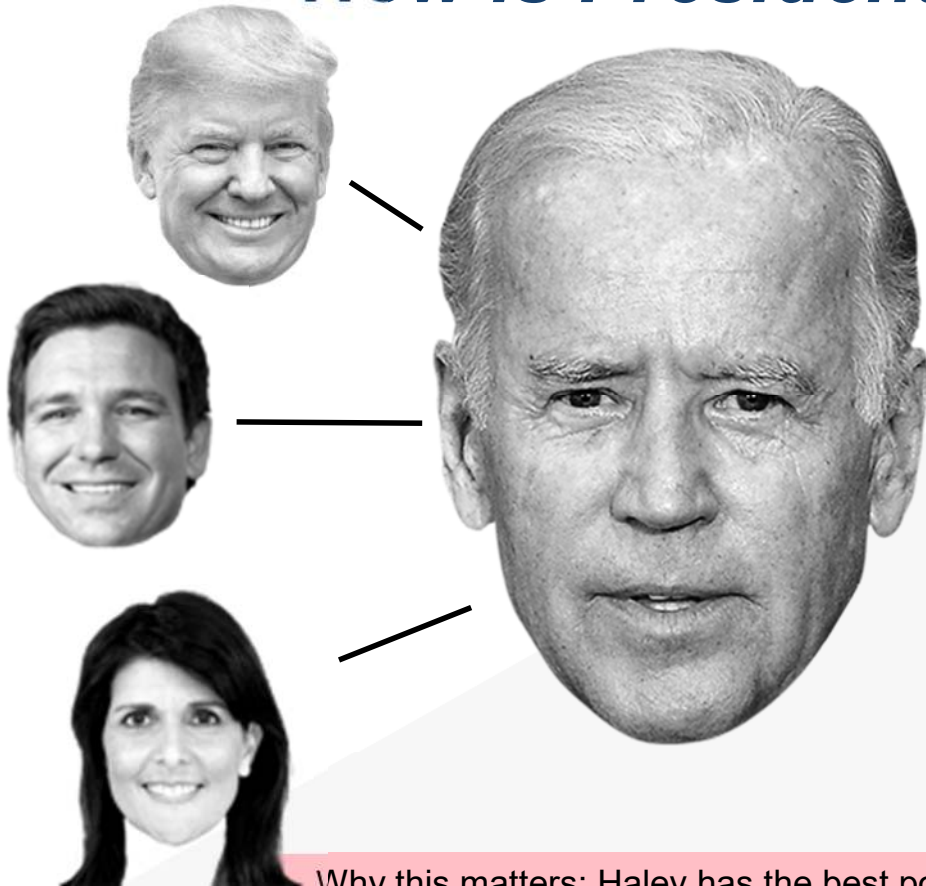
Trump: 73%
DeSantis: 7%
Haley: 8%

1,215 delegates needed

Caucus Poll

Why this matters: The field is consolidating – three candidates remain (Trump, DeSantis, Haley). The natural question in these next months is: (1) Is Trump vulnerable? (Do some support him because of this feeling of inevitability?); (2) Where do Christie's supports go? (3) How does Haley do in South Carolina?; (4) What impact does Trump's legal woes have on the race?; (5) Does DeSantis continue to lose momentum?

How is President Biden Matching Up



Opinion: Nikki Haley is the best hope to keep Trump out of the White House

Haley: 53%

Biden: 45%

DeSantis:
51%

Biden: 48%
Trump: 50%

Biden: 48%

- 48% of Christie's supporters said that they would support Haley
- More of DeSantis supporters describe themselves as

Why this matters: Haley has the best polling data at this point and stands the best chance of defeating Biden. Haley has also increased in momentum taking over DeSantis.

Congressional Update

- Congress passed CR:
 - 4 approps bills through ~~January 19~~ March 8 approps bills through ~~February 2~~ March 1
- Speaker Johnson got some pushback from hardliners in the House
- President Biden to submit FY budget February 5

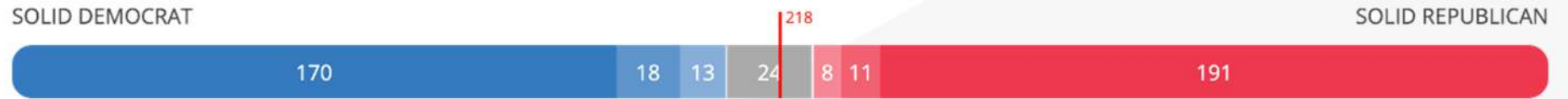
Deal reached on short-term funding bill to avert government shutdown, congressional leaders say

Why this matters: Congress will not pass its FY 24 budget until *after* the President presents his FY 25 budget.

House and Senate

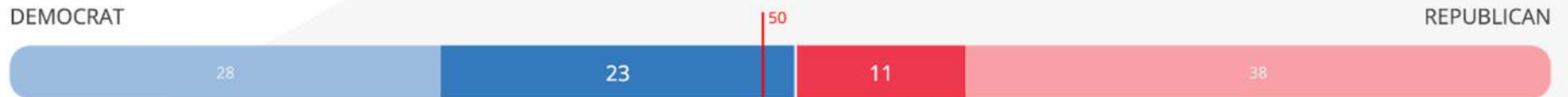
House Election:

- More Biden-leaning districts held by Republicans than vice versa



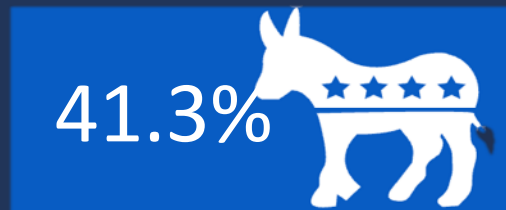
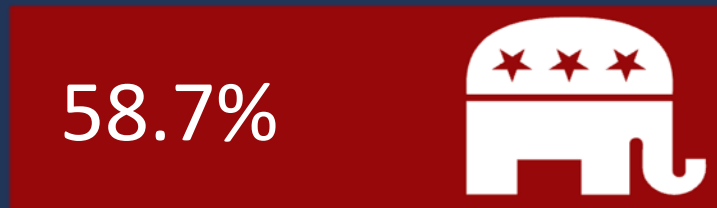
Senate Election:

- Democrats on the defensive,



House and Senate Probabilities – (Estimated)

Senate:

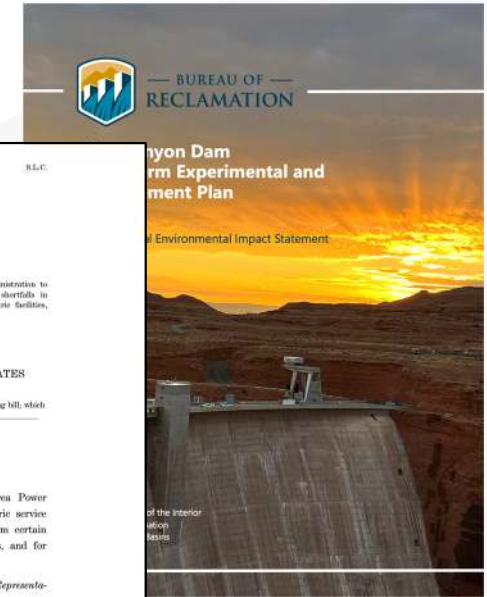
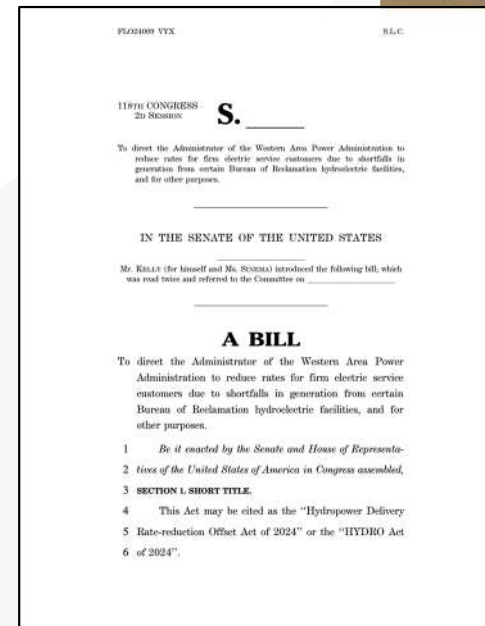


House:



CRSP Political Update

- HYDRO Act: Reduces rates when certain Bureau of Reclamation hydropower facilities aren't producing the contracted amount of electricity due to drought and low reservoir levels.
- Congresswoman Maloy Republican and House cosponsor
- UAMPS cooperating agency update



Why this matters: This is going to be a meaningful piece of legislation for CRSP customers, though it may need to be re-introduced or attached to a must-pass bill. UAMPS continues to represent UAMPS views along with SRP and CREDA.

Legislative Reporting

Link to be sent to review bills as well as PDF

- Monitor
- Support
- Alert

<p>HB 0048 Utah Energy Act Amendments</p>	<p>Jan 10, 2024 - House/ received bill from Legislative Research in Clerk of the House</p>	<p>Colin Jack</p>
<p>Utah Energy Act Amendments</p>	<p>UAMPS Member Action Alert:</p>	<p>Monitor</p>
<p>HB 0117 Wind Energy Facility Siting Modifications</p>	<p>Jan 10, 2024 - House/ received bill from Legislative Research in Clerk of the House</p>	<p>Jefferson S. Burton</p>
<p>Wind Energy Facility Siting Modifications</p>		<p>Monitor</p>

HB 0018 Mineral Production Tax Withholding Amendments	Jan 12, 2024 - LFA/ fiscal note publicly available in Clerk of the House	Bridger Bolinder
Mineral Production Tax Withholding Amendments		Monitor
HB 0048 Utah Energy Act Amendments	Jan 10, 2024 - House/ received bill from Legislative Research in Clerk of the House	Colin Jack
Utah Energy Act Amendments	UAMPS Member Action Alert:	Monitor
HB 0117 Wind Energy Facility Siting Modifications	Jan 10, 2024 - House/ received bill from Legislative Research in Clerk of the House	Jefferson S. Burton
Wind Energy Facility Siting Modifications		Monitor

Why this matters: UAMPS will be providing more regular reporting each week with the aim that this will be easier to digest for board members and UAMPS member governing boards.



Utah 2024 Session Important Dates

- **February 20:** 5 pm Public Power Legislative Reception
- **Rural Caucus:** Fridays 8 am
- **Session:** January 16 – March 1



UTAH STATE

LEGISLATURE

Utah 2024 Session – Coal and Energy

“If there are other states that want to gamble on their state’s energy future ... go ahead and let them do that. We want the state of Utah to make sure that we protect the citizens inside this state,” Utah House Speaker Mike Schultz, R-Hooper

Guiding Principles for 2024 UAMPS Strategy:

- **Defend public power:** Ensure that public power/municipal interest be presented e.g. bonding, state influence and control
- **Work with other stakeholders to grow fuel supply:** Find and support ideas to give leadership a win, and secure fuel for Hunter.

2024 APPA Legislative Rally

- Dates: February 26-28 (Mon-Wed)
- Location: Washington, D.C.
- House is not in session, but Senate is in session
- Please respond to Sadie on rooms
- Staff dinner 2/26 at 7 pm

