

EXECUTIVE SUMMARY

General:

This report documents the study performed by Active Power Engineering, LLC, for Morgan City Power to document an Electric Impact Fee Analysis.

The Utah impact fee statute Title 11 Chapter 36a "Impact Fee Act" requires the city imposing impact fees to (1) prepare an Impact Fee Facilities Plan, (2) perform an Impact Fee Analysis, (3) calculate the Impact Fee(s), and (4) certify the Impact Fee Facilities Plan and Impact Fee Analysis.

This report includes an Impact Fee Facilities Plan, Impact Fee Analysis, calculated Impact Fees, and certification of the Impact Fee Facilities Plan and Impact Fee Analysis.

This report provides the background, requirements, basis, projects, and analysis for new customer electric impact fees that must be collected for new electric service to be connected. The impact fee applies to new services and upgraded services. The 10-year period 2023 to 2032 was used in this impact fee analysis.

Impact Fee Facilities Plan (IFFP):

According to the Statute, the "Impact Fee Facilities Plan ("IFFP") shall identify (a) demands placed upon existing public facilities by new development activity; and (b) the proposed means by which the political subdivision will meet those demands."

The IFFP is included in this analysis, and references and is consistent with the Morgan City 10-year Capital Facility Plan (CFP) 2023-2032, February 2024. The projected demand placed upon the Morgan City electric power system is directly tied to the forecasted population growth. Morgan's population growth is estimated to grow at 1% per year, according to Morgan City General Plan information. Population from the 2020 census was 4,071. Power demand growth rate has averaged about 2.3% and is projected to continue 2.3% per year going forward. Morgan City power system load was 6,148 kW in 2022. Morgan City is forecast to add 5,330 kW to 5,550 kW of new development power demand (above the 6,148 kW all-time system peak) between 2024 and 2032, reaching about 11,700 kW in 2032.

To serve the projected power demand Morgan City Power needs to make some capital facility improvements in the existing power system. Projects to increase capacity to meet the projected power demand include reconductor of mainlines, installing capacitors, and providing generation. These facilities maintain the level of service for customers of the Morgan City Power system as the growth contributes to increased electric load. The total estimated cost of these projects assigned to the IFFP is about \$3,185,440. These projects add about 5,844 kilovolt-amperes (kVA) of system capacity.

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Impact Fee Analysis (IFA):

The Impact Fee Analysis ("IFA") portion of the Statute states that (1) "each local political subdivision or private entity intending to impose an impact fee shall prepare a written analysis of each impact fee:" and (2) "shall also prepare a summary of the impact fee analysis designed to be understood by a lay person."

Electric impact fees in Morgan City are calculated using incremental costs. This method determines what new developments pay for improvements or a portion of the improvements needed to serve them. This is a "capacity-based" fee structure. In this way existing customers are not burdened by the new growth.

The Impact Fee Analysis involves three basic steps or sub-analyses: (1) determining an Impact Fee rate that applies a cost per each kVA of new power demand from development; (2) determining the kVA power demand for the typical customer types and service levels; and (3) calculating the proposed Impact Fee.

The Impact Fee rate was calculated by dividing the IFFP total project cost (adjusted for construction cost escalation, and any interest earned on collected impact fees) by the added system capacity. The Impact Fee rate has been calculated to be \$545.08/kVA.

The kVA power demand for residential customers was determined from typical service panel utilization factors experienced by Morgan City on 100-amp to 400-amp services. The kVA power demand for commercial customers was calculated using the service panel size, type (i.e., single phase or three phase), voltage, and the panel utilization factors typical for two categories of commercial customers. Two categories of commercial customers are used because some commercial customers, such as industrial, heavy manufacturing, data centers, electric vehicle chargers, quarries, and crushers, are more energy intensive and have been determined to have higher panel utilization factors.

The recommended Impact Fees calculated using the Impact Fee rate and typical customer power demand are shown below. Table A shows recommended residential impact fees. Table B shows recommended commercial customer impact fees for typical commercial customers. Table C shows recommended impact fees for energy intensive commercial customers.