

EXHIBIT A



GARY HERBERT
Governor
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Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

MEMORANDUM

DATE: December 29, 2015

TO: Public Service Commission

FROM: Division of Public Utilities
Chris Parker, Division Director
Marialie Wright, Customer Service Manager
Erika Tedder, Office Specialist

RE: Marian Seamons v. Ticaboo Utility Improvement District
Docket No. 15-2508-01

Recommendation: No Action - Incomplete Complaint

Complaint Analysis:

On October 29th, 2015, Ms. Marian Seamons (Complainant) submitted an online informal complaint to the Division of Public Utilities (Division) against Ticaboo Utility Improvement District (Company) regarding charges on vacant lots.

The Complainant requested the Company to “justify... costs and fees to vacant lots” among multiple other grievances. The complaint goes on to list numerous grievances concerning how the regulations were put into place, the unprofessionalism of the Company’s office staff, and others.

Company Response:

Chip Shortreed, Ticaboo Utility Improvement District’s CEO and District Manager, responded to Marian Seamons’ informal complaint on November 25th, 2015. Mr. Shortreed stated that the issues illuminated by the Complainant have been previously addressed by the Company in a hand-delivered correspondence given to the Complainant on October 26th, 2015. This correspondence also included answers to the information requested in five letters by the Complainant regarding business practices. In Mr. Shortreed’s response on November 25th, 2015 he included copies of the aforementioned

correspondence, the Complainant's five letters requesting information, and the responses to every inquiry submitted by the Complainant.

DPU Comments & Recommendation:

The Division recommends that no action be taken because the complaint is incomplete and there is uncertainty of relief sought. In addition, the Public Service Commission (Commission) is granted only limited authority over utilities regarding customer complaints. The Commission may order a utility to correct service problems and refund incorrect billings.

The issues addressed in the complaint are vague, and/or do not have specific requests for relief. E.g. “[h]ow have contracts and open enrollment been enacted throughout the district without knowledge of the property owner...” As per Utah Code Title 54-4-1, the Commission has no authority over issues dealing with the business management of a utility. To the extent the utility suffers from infirmities concerning customer service beyond tariff provisions, the Commission has no jurisdiction to remedy them. The Company in this case has unique tariff provisions arising from its unique operations and difficult-to-serve area. The Division has been unable to determine that the complaint involves the violation of a tariff provision or other applicable law or rule.

There exists a question from the Complainant about whether the Company's tariff is in compliance with the “State of Utah Codes.” A regulated utility company's tariffs must be filed with the Commission before adoption. The tariff submitted to the Commission by the Company on May 18th, 2015 was found “to be just and reasonable, and in the public interest” on September 10th, 2015 in [Docket 15-2508-T01](#). This Order was open to aggrieved parties for review or rehearing for 30 days after the issuance, but none was requested by any party. Additionally, any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure. Apart from those proceedings, the Division cannot determine from the complaint that any other law or rule has been violated.

The Complainant can obtain additional information about the content and filing of a formal complaint, and how to obtain written instructions as well as the litigation process by visiting <http://www.psc.utah.gov/complaints/index.html>.

EXHIBIT B



**Ticaboo Utility Improvement District
Ticaboo, UT**

Original Sheet No. ER-A

P.S.C. Utah No. 1

ELECTRIC SERVICE REGULATIONS
of
TICABOO UTILITY IMPROVEMENT DISTRICT
for
ELECTRIC SERVICE
in the
STATE OF UTAH
under
PUBLIC SERVICE COMMISSION OF UTAH



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REGULATION R01: General Provisions

Section 01.01 General Information

General information about the Ticaboo Utility Improvement District (the “District”) may be found in the District’s Administrative Rules and Regulations Manual (the “AR&R”). Information available in the AR&R includes, among other things, details of District administration, finance, meetings, and records policies. A copy of the current AR&R is available at the District offices and additional copies may be obtained for a nominal copying fee.

Section 01.02 District Government Vested In the Board of Trustees

The District is governed by a Board of Trustees (hereinafter referred to as the “Board”), which manages and conducts the business and affairs of the District and determines all questions of District policy. The District Manager is the chief executive of the District and is responsible for day-to-day management of District operations. Further details regarding the function and authority of the Board and the District Manager are available in the AR&R.

Section 01.03 Tariff and Rate Schedules

The Tariff, consisting of these Electric Service Regulations and the Electric Rate Schedules, may be amended from time to time by the Board as needed to provide for efficient and effective administration of the District.

The Rate Schedules may be revised and amended from time to time when, in the opinion of the District's Board of Trustees, revisions are necessary to yield revenues adequate for the payment of operating expenses, capital improvements, bond indebtedness, and other obligations existing against the system together with any interest due thereon.

Prior to the implementation of any rate increase, the District will hold a public meeting for all its Customers and members. Notice will be mailed at least ten calendar days prior to the meeting. In addition, any schedule of new rates or other change that results in new rates must be approved by the Board.

All charges not specifically listed in this Tariff that are the responsibility of the Applicant or Customer, including for example, the cost of cutting and replacing pavement and cement where necessary, shall be fixed and charged as determined by the District Manager.

All actual costs occasioned by a nonstandard request of a Customer shall be paid by the Customer. The



District's rates for items necessitated by such requests, as set forth in this Tariff, shall also be paid by the Customer.

Unless the District is otherwise contractually bound, the rates shall be determined from the Tariff in effect at the time Service is rendered and shall not be determined by any estimate received from the District. There shall be no guarantee that any quoted rate, whether oral or written, will be in effect when the Service is actually rendered.

The District Manager shall file with the Commission, for informational purposes only, the current Tariff at least annually, and any time the rates are increased. (U.C.A. § 54-4-1.1 (2012)).

This Tariff will be produced in loose-leaf form and contain all the requirements as described in Rule R746-405. A copy of the effective Tariff will be maintained and open for public inspection at the District's office at all times. The District will post in a conspicuous place in its office a notice to the effect that copies of the schedule of applicable rates in the District are on file and may be inspected by anyone desiring to do so. (R746-405-2(F)).

The District will ensure that canceled tariff sheets are removed from the binder of currently effective tariffs. The District will permanently retain a file of all canceled tariff sheets. (R746-405-2(B)).

The District hereby incorporates the terms of Residential Utility Service Rules (R746-200) into the Tariff.

Section 01.04 Electric Connections

All Applicants shall pay the applicable fees, including but not limited to engineering, connection, impact, meter set, inspection, and permit fees. The Applicant is responsible for all installation costs in addition to the District's fees.

Section 01.05 Inspections

Prior to commencing Electric Service, District personnel must be allowed to inspect all lines and related Facilities within and upon the premises. If the District Manager does not approve of the same, the Applicant shall correct each deficiency identified at the Applicant's sole expense so as to meet the requirements of the District and of any other governmental entity having jurisdiction.

After Electric Service has commenced, District personnel shall have the right to inspect all lines, and related Facilities within and upon the premises with reasonable notice to the Customer to ensure compliance with the District's rules and regulations. The District may require that deficiencies and/or violations be corrected at the Customer's sole expense.



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Any Customer of the District may have any appliance used in the measurement of electricity tested, upon paying the appropriate fees. (U.C.A. § 54-4-20 (2012)).

The Applicant or Customer must pay all reasonably required inspection fees.



REGULATION R02: General Definitions

Section 02.01 Definitions

The following terms when used in this Tariff and in the Application or Electric Service Agreement shall have the meanings given below unless clearly indicated otherwise.

- 1) Active Connection - A connection through which a property owner or customer is receiving utility service and paying for such service under the appropriate Rate Schedule.
- 2) Administrative Fee - A fee charged by the District to cover administrative costs as listed on Schedule RC.
- 3) Agreement - See Electric Service Agreement.
- 4) Agreement Period - The period of time for which an Electric Service Agreement or other contract for the provision of Service by the District is effective.
- 5) Applicant - Any person, corporation, partnership, or other entity that applies to the District for Electric Service. May also mean an entity that applies to the District to provide backbone in development or applies for other services under the Tariff such as relocation.
- 6) Application Fee - A fee required to submit an application to the District as listed on Schedule RC.
- 7) Application or Application for Electric Service - The initial written request by an Applicant for provision of Electric Service by the District.
- 8) Budget Billing - Billing where the base rate and a designated total kilowatt hours for 12 months are budgeted over a 12-month period. Budget billing involves a Customer Charge for base and budgeted kWh use, with a higher per kWh rate if the participant exceeds the allowed kWh's in any 12-month period.
- 9) Capacity - Electrical load that equipment or electrical system can carry.
- 10) Commission - The Public Service Commission of Utah.
- 11) Connection Fee - A fee for the connection and inspection of any pipe, line, meter, or appurtenance to connect to a gas, water, sewer, storm water, power, or other utility system of a municipality, county, local district, special service district, or private entity, which is connected from the tap to the structure.
- 12) Contiguous Property - Legally separate parcels of real property that are next to one another or otherwise share a common boundary line and are owned by the same owner and are



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considered contiguous by the presiding County Recorder for tax purposes. Parcel separated by a public road or street are not contiguous.

- 13) Contiguous Developed Properties - Contiguous Properties of which one of the parcels is a Developed Property and the other parcels are one or more (up to 3) Contiguous Vacant Properties OR Contiguous Properties of which two or more of the parcels from a Joint-developed Property and the other parcels are one or more (up to 3) Contiguous Vacant Properties.
- 14) Contract Demand - The specified demand in kilowatts that the Customer contracts with the District to supply and which the District agrees to have available for delivery to the Customer.
- 15) Contract Year - The period between the date of commencement of Service under the Application for Electric Service, Electric Service Agreement or contract and the same date of the following year.
- 16) Customer - Any person, firm, partnership, company, corporation, organization, governmental agency, political subdivision, municipality, or other entity contracting with the District for utility service at one location and at one point of delivery.
- 17) Customer's Installation - The wiring and apparatus owned by the Customer and on the Customer's side of the Point of Delivery (except the District's metering equipment) useful in connection with the Customer's ability to take Service.
- 18) Deferred Payment Agreement - An agreement to receive or to continue to receive residential Electric Service pursuant to Electric Service Regulation No. 10 and to pay an outstanding debt or delinquent account owed to the District.
- 19) Demand - The rate in kilowatts at which electric energy is delivered by the District to the Customer at a given instant or averaged over any designated period of time. For billing purposes, Demand means the 15-minute period of the Customer's greatest use during the particular month.
- 20) Developed Property - A property where tap(s) exist with a structure on the property suitable for residential living or a commercial business. A property with storage, not suitable for habitation, or not defined as a domicile is not a Developed Property and is considered a Vacant Property.
- 21) Disconnection of Service - See Termination of Service.
- 22) District – The Ticaboo Utility Improvement District.



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- 23) Electric Service - The availability of electric power and energy at the Customer's point of delivery, irrespective of whether electric power and energy is actually used.
- 24) Electric Service Agreement - The contract or agreement between the District and the Customer for provision of Electric Service. As context requires, Electric Service Agreement may also encompass Special Contracts in addition to the District's standard Electric Service Agreement.
- 25) Energy - Electric energy measured in kilowatt-hours.
- 26) Extension or Line Extension - A branch from, or a continuation of, a District-owned transmission or distribution line. An Extension may be single-phase, three-phase, a conversion of single-phase line to a three-phase line, or the provision of additional capacity in existing lines or Facilities. The District will own, operate, and maintain all Extensions made under Electric Service Regulation No. 12
- 27) Facilities - Equipment, structures, and other installations, including but not limited to electrical transmission lines, poles, transformers, meters, and other equipment useful in the transmission of electric power or provision of Electric Service. Also, as required by context, Facilities may mean equipment, structures, installations, and infrastructure useful in the provision of water, wastewater, and solid waste service by the District.
- 28) Highly Fluctuating Loads - Loads having high demands of short duration or having an abnormal effect on voltage requiring that the District provide additional or excess investment in transformers, service or other Facilities.
- 29) Hookup Fee - As defined by Utah Code Title 11, Chapter 36a, Section 102 of the Impact Fees Act, "means a fee for the installation and inspection of any pipe, line, meter, or appurtenance to connect to a gas, water, sewer, storm water, power, or other utility system of a municipality, county, local district, special service district, or private entity."
- 30) Impact Fee - As defined by Utah Code Title 11, Chapter 36a, Section 102 of the Impact Fees Act, "means a payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure."
- 31) Joint-developed Property - is a combination of two or more Developed Properties on which the structure qualifying each parcel as Developed Property extends across the multiple parcels that make up the Joint-developed Property (e.g., a single house that is built on portions of two parcels). Contiguous Property where a structure (i.e. home or commercial



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- business) exists on one property, and a detached garage exists on the Contiguous Property is not considered a Joint-developed Property.
- 32) kWh - Is the abbreviation for kilowatt hours, a measurement of use which is billed to the customer monthly.
 - 33) Landlord - A person or company who is empowered through contract or agreement with the Property Owner to act as agent for the collection of rent/lease fees, including situations in which the Property Owner is a governmental entity.
 - 34) Load Limiter - A device that automatically interrupts Electric Service when the preset demand is exceeded.
 - 35) Meter - A device used to measure the electricity transmitted from the District to a Customer.
 - 36) Meter Test Deposit Fee - Upon written request, the District shall promptly test the accuracy of a customer's meter. If the meter has been tested within 12-months preceding the date of the request, the District may require the customer to make a deposit as listed on Schedule RC
 - 37) Month or Billing Month - The period of approximately thirty (30) days between regular successive billing dates.
 - 38) Partial Requirements Service - Service to a load which is partially or wholly served from another source of power.
 - 39) Point of Delivery - The point, unless otherwise specified in the Application for Electric Service, Electric Service Agreement or contract, at which the District's Facilities are connected with the Customer's Installation.
 - 40) Power Factor - The percentage determined by dividing the average power use in kilowatts (Real Power) by the average kilovolt-ampere power load (Apparent Power) imposed upon the District by the Customer.
 - 41) Premises - All the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by a dedicated street, highway, other public thoroughfare, or railway.
 - 42) Property Owner - An owner of real property within the District's boundaries as record within the respective county recorder's office.
 - 43) Rated Capacity -The electrical load for which equipment or an electrical system is designed.
 - 44) Reconnection/Disconnection Charges - Each time a Customer, eligible to receive electric service, begins to receive electric service at an existing point of delivery not previously used, or at a point of delivery which has been previously used by another Customer, or each time a



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Customer changes his point of delivery or reconnects after voluntary or involuntary disconnection at the same point of delivery, that Customer shall be charged a reconnection fee as listed on Schedule RC. Each time a Customer stops receiving service, for any reason, that Customer shall pay a disconnection fee as listed on Schedule RC.

- 45) Residential Service - Electrical Service furnished to Customers for (1) domestic purposes in single-family dwelling units; (2) apartments where each dwelling unit is separately metered and billed; and (3) combined family dwelling units. Dwellings where tenancy is typically less than 30 days in length, such as hotels, motels, camps, lodges, and clubs, do not qualify as Residential Service.
- 46) Schedule Billing - The total charges for Service, including minimums, computed in accordance with the District's applicable rate schedule.
- 47) Service - See Electric Service. The word "Service" may also be used to refer to the wires between the District's supply and the Customer's entrance conductors.
- 48) Service Classification - The classification of utility service as either residential or commercial.
- 49) Solid Waste Service - Trash service provided by the District through use of community trash containers accessible to all District customers.
- 50) Special Contract - A contract between the District and a Customer that varies from the District's standard Electric Service Agreement. A Special Contract is the equivalent of an Electric Service Schedule with respect to the Customer to which it applies since it establishes the pricing provisions and conditions under which Electric Service is provided to that Customer.
- 51) Standby Connection - The connection, or a connection that would be available upon request, to any property within the District's service area to which the District is obligated and prepared to deliver utility service on demand but to which the District does not currently provide utility service.
- 52) Standby Fee - The fee required to be paid for a standby connection within the District.
- 53) Subdivision - An area identified by filed subdivision plats in which a group of dwellings may be constructed at about the same time.
- 54) Tampering/Unauthorized Reconnection Charge - means a fee imposed by the District when a Connection, which has previously been disconnected or abandoned has been reconnected or used without prior written notification and permission to and by the District. This charge may also be applied in circumstances where the District's equipment has been tampered with or damaged as a result of tampering. This charges are listed on Schedule RC.



- 55) Tap – An available connection to electrical, water, or wastewater service that is present on a particular property. In the case of electrical service, a Tap consists of a connection from District power distribution lines to a particular property and terminating on that property. In the case of water service, a Tap consists of a lateral pipe leading from a District water main to the particular property, and terminating on the property. In the case of wastewater service, a Tap exists when a sewer lateral line is installed to connect the property to the sewer main line
- 56) Tariff - Together, these Electric Service Regulations and the various Electric Rate Schedules published by the District.
- 57) Temporary Service - Service requested for a limited or uncertain period of time at the end of which the Facilities will no longer be needed and will likely be removed. These Facilities include, but are not limited to, service for construction power, seasonal sales lots, carnivals, rock crushers, or paving plants.
- 58) Tenant - A person or persons who rent or lease property from the Property Owner.
- 59) Termination of Service - The disconnection of Electric Service to a Customer at a particular location.
- 60) Unified Billing - The inclusion of billed amounts for all utility services on a single bill from the District.
- 61) Utility Service - Electric, Water, Wastewater, or Solid Waste service, together or individually.
- 62) Water Service - Culinary water service provided by the District.
- 63) Wastewater Service - Sewer service provided by the District.

Section 02.02 Rules of Construction and Severability

Rules of Construction - The singular number includes the plural where the context and application of the rules and regulations contained herein reasonably suggest. Words in the present tense include the future. Words used in the masculine gender comprehend, as well, the feminine, and neuter. The word "person" includes bodies politic and any individual, partnership, association, corporation or group of individuals, however styled or designated.

Conflicts and Invalidity Clause - If any provision, paragraph, word, section, or chapter hereof is invalidated by any court of competent jurisdiction or by an state or federal statute, the remaining provisions, paragraphs, words, sections, and chapters hereof shall not be affected and shall continue in full force and effect.



REGULATION R03: Electric Service Agreements

Section 03.01 Application for Service

Each Applicant for Electric Service may be required to sign the District's standard Application for Electric Service or a contract before Service is supplied by the District. For Electric Service in large quantity or under special conditions, the District may require a suitable written agreement or Special Contract. No such agreement, contract, or any modification thereof shall be binding upon the District until executed by a duly authorized representative of the District. Executed agreements and contracts shall be to the benefit of and be binding upon the heirs, administrators, executors, successors in interest and assigns of the District and of the Customer.

In any case where two or more parties join in one Application for Electric Service, such parties shall be jointly and severally liable thereunder, and only one bill shall be rendered for Electric Service supplied in accordance therewith.

When a change of occupancy occurs, notice of such change must be given to the District prior to the date of such change. The outgoing Customer will be held responsible for all Electric Service supplied at the location according to Section 10.03.

Transfer of Service requires that the person to whom the Service is to be transferred make application to the District, qualify as a Customer, and agree to assume responsibility for the billing for Service, including minimums, from that date forward.

Section 03.02 Requirement for Other Utility Services

A Customer of the District who has Taps on his/her property for any District utility service, must pay, at a minimum, the standby fees for each utility service (electric, water, wastewater, and solid waste).

As a prerequisite to Electric Service provided to a Customer by the District, the Customer must also subscribe to water, wastewater, and solid waste services provided by the District. A Customer will be deemed to have met the requirements of this section if the Customer pays, at a minimum, the monthly standby fees for each service.

A Customer that receives only water for livestock purposes and does not receive wastewater, solid waste, or electric service is exempt from the requirements of this section.



Section 03.03 Standby Fees

Every Property Owner within the District who owns property for which utility service(s) are available (meaning that a Tap for any utility service is present on the property) is obligated to pay the Standby Fee for each utility service offered by the District if not actively receiving the utility service. The Standby Fee allows owners of properties without utility service, but for which the District holds utility service ready for connection upon request, to bear their share of the expense of maintaining the availability of utility services. Property owners shall be jointly and severally liable for Standby Fees.

A Customer that receives only water for livestock purposes and does not receive wastewater, solid waste, or Electric Service is exempt from the requirements of this section.

Section 03.04 Implied Service Agreements

In the absence of a signed application, agreement or contract, the delivery of Electric Service by the District and the acceptance thereof by the Customer shall be deemed to constitute an agreement under the same terms as the District's standard Electric Service Agreement by and between the Customer and the District.

Section 03.05 Electric Service Schedule Precedence

These Regulations and the applicable Electric Service Schedules are hereby made a part of each Electric Service Agreement, express or implied. In case of a conflict between any of the provisions of the agreement or contract, Electric Service Schedules and these Electric Service Regulations, the provisions of the relevant Electric Service Schedule will take precedence followed by the provisions of these Electric Service Regulations.

Special Contracts may be necessary due to unique circumstances when the standard Electric Service Schedules do not apply. A Special Contract is the equivalent of an Electric Service Schedule with respect to the Customer to which it applies since it establishes the pricing provisions and conditions under which Electric Service is provided to that Customer. All Special Contracts must be filed with the Public Service Commission. Conflicts between a Special Contract and the Electric Service Regulations of which the District is aware will be specified when the contract is filed. In the case of a conflict between any of the provisions of a Special Contract and these Electric Service Regulations, the provisions of the Special Contract shall take precedence over the Electric Service Regulations.



Section 03.06 Selection and Changes of Electric Service Schedule

Where optional Electric Service Schedules are available, the District will assist the Customer, upon request by the Customer, in the selection of the Electric Service Schedule most favorable for the Customer's requirements. The recommendation to the Customer will be based on the Customer's statement of the class of Electric Service required, the amount and manner of use, and other pertinent information. The District shall not be liable for any errors with respect to the information received from the Customer. A Customer being billed under one or more optional Electric Service Schedules applicable to his/her class of Service may elect to be billed on any other applicable Electric Service Schedule by notifying the District in writing; the District will bill the Customer under such elected Schedule from and after the date of the next meter reading. However, a Customer having made such a change of Electric Service Schedule may not make another such change within the next 12 months, unless altered conditions or other good cause as determined by the District justify a change within a shorter period.

Section 03.07 Renewal and Termination of Service Agreements

At the expiration of the term stated in the Electric Service Agreement or contract, or any renewal thereof, or any extended term thereof, the Agreement or contract shall remain valid from month to month unless either the District or the Customer provides 30 days' notice in writing of its desire to terminate such agreement, unless otherwise provided for in the agreement or contract.

Section 03.08 Customer's Right to Cancel Agreement

Where the Customer entirely suspends use of utility service during the Agreement Period with the intention to permanently terminate such service, the Customer's obligation to take Service pursuant to the Agreement may be suspended by written notice to the District not less than 90 days before the effective date of such proposed suspension of Service, unless otherwise provided in the applicable Electric Service Schedule or in the Electric Service Agreement.

Cancellation of the Agreement pursuant to this section releases the Customer from his/her obligation to take Service pursuant to the Agreement. Such cancellation does not release the Customer from the obligation to pay standby fees for utility services. Standby fees must be paid unless the Customer elects to permanently abandon all utility services for the particular property in accordance with Section 3.12.

No such suspension of Electric Service shall release the Customer from his/her obligation under any term minimum guarantees based on special investments made by the District to serve the Customer. If



after a suspension of Electric Service pursuant to this section the Customer resumes operations within the original Agreement Period, at the option of the District the Agreement may be renewed for the remainder of the Agreement Period and for an extended period equal to the original period plus the time during which operations were suspended. If the discontinuance by the Customer is a breach of the Agreement, the right of the District to collect the sums mentioned herein shall be in addition to all other rights it may have on account of such breach.

Section 03.09 Default By Customer

For any default or breach by the Customer of an Electric Service Agreement or other contract with the District, including failure to pay bills within the time periods specified in Electric Service Regulation No. 08, the District in addition to all other legal remedies, may terminate the Electric Service Agreement in accordance with Electric Service Regulation No. 10 or suspend Service in accordance with Electric Service Regulation No. 04.

Failure to comply with the requirements of other utility services provided by the District (as described in Section 03.02) shall be treated the same as if the Customer had failed to comply with the requirements for Electric Service as contained in these Regulations. Default, breach, or nonpayment for any District utility service shall be grounds for termination of Electric Service in accordance with Regulation No. 10.

Section 03.10 Eligibility for Residential Service

Residential Electric Service is to be conditioned upon payment of deposits where required, subscription to other District utility services as described in Section 03.02, and payment of all outstanding debts for past utility service owed by the Applicant to the District. However, an Applicant unable to pay a delinquent account balance may be eligible to enter into a deferred payment agreement under the provisions of Electric Service Regulation No. 10. Residential Service shall be provided to an Applicant without consideration of an outstanding debt which was incurred prior to the commencement of a divorce or separate maintenance action in the courts and which was in the name of a former spouse. An Applicant is ineligible for Electric Service if at the time of application, the Applicant is cohabiting with a delinquent account holder, previously terminated for non-payment, and the Applicant and delinquent account holder also cohabited during the time the delinquent account holder received the utility's Service, whether such Service was received at the Applicant's present address or another address. Electric Service may be denied at any time if unsafe conditions exist, the Applicant has given false information in connection with any utility service application, or the Applicant has tampered with utility meters, lines, or other District property.



Section 03.11 Availability of Facilities

The District shall not be required to maintain Facilities in place or to continue the availability of Facilities installed for the Customer's Service when (a) Facilities are not being utilized to provide service in accordance with an Electric Service Agreement or (b) no contract providing for continuing availability at a stated capacity is in effect. Such Facilities that have not been used during the last 12 months may be subject to removal. The decision to remove said Facilities shall be at the District's sole discretion. The decision for such removal shall be based on but not limited to (1) revenue potential of Facilities, (2) safety hazards, (3) availability of workforce, and (4) length of time Facilities are expected to remain idle.

Section 03.12 Abandonment of Utility Services

A Property Owner may choose to permanently abandon all utility services and physical taps for a particular property in accordance with the District's rules and regulations. Permanent abandonment of utility services and taps will only be allowed if the property in question has been continuously vacant and unused for at least 24 months prior to the request, and the Property Owner's account(s) with the District are current and in good standing. To permanently abandon utility services and taps, the Property Owner must complete and submit to the District an Abandonment of Utility Services and Taps Application.

The Property Owner must pay standby fees for all utility services until such time as the District approves the Abandonment of Utility Services and Taps Application. The Property Owner shall not be obligated to pay standby fees for any District utility services from the date on which the District notifies the Property Owner in writing that the Abandonment of Utility Services and Taps Application has been approved.

The Property Owner must acknowledge in writing that by abandoning all utility services and taps, reconnection of the particular property, whether owed by the current Property Owner or his/her successors in interest, will require payment of new Tap Fees, Connection Fees, Hookup Fees, Impact Fees and any other fees in place in the District at the time of reconnection for electric, water, wastewater, and solid waste services. These fees will be imposed whether or not the services have been completely removed from the property or just abandoned in place. The Property Owner must also acknowledge in writing that the requirements for reconnection to District utility services shall be disclosed to any person or entity acquiring an interest in the particular property and all fees are subject to change at any time.

If at any time the District finds the abandoned utility services or taps are being used, or the property



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with abandoned services and taps becomes developed prior to proper application and payment of fees for establishing service the District shall impose a fine for each violation as defined in the District's Regulation Charges and shall require the Property Owner to physically remove the taps at the Property Owners expense by either:

- Paying the District for removal of all electric, water, and wastewater connections on the property plus any applicable administrative fee imposed by the District, or;
- Engaging a district-approved contractor to perform such removals plus any applicable administrative fee imposed by the District.

The District shall cause such abandonment of utility services and taps to be recorded with the proper county office under the records of the particular parcel.



REGULATION R04: Supply of Service

Section 04.01 Supply of Service

Unless otherwise specifically provided in the Electric Service schedule or contract, the District's rates are based upon the furnishing of Electric Service to the Customer's premises at a single Point of Delivery and at a single voltage and phase classification, irrespective of whether electric power and energy is actually used.

Section 04.02 Individual Customer

Each separately operated business entity and each separate building will be considered an individual Customer for billing purposes. If several buildings are occupied and used by one Customer in the operation of a single and integrated business enterprise, or if a residential property contains multiple structures capable of being served by a single connection, the District may furnish Electric Service for the entire group of buildings through one service connection at one Point of Delivery. All such buildings must be on the same premises undivided by a dedicated road, street, highway or other public thoroughfare or railway.

Should the Customer request Electric Service from the District through more than one Point of Delivery, or request Electric Service from the District at more than one voltage or phase, each connection will be separately metered and billed. If the size of the load exceeds standard transformer capacity and the District elects to set more than one transformer of the same voltage and phase, the Customer shall be required to provide for, as directed by the District, 1) a totalized metering scheme wherein the individual metered service are electronically summed into a single meter; or 2) a single point of metering on the primary side of the transformers while maintaining secondary delivery as directed by the District. The Customer will be responsible for the required meter cabinets, conduits and connections required for primary or totalized metering.

Section 04.03 Reactive Power

All Electric Service schedules in this tariff are based upon the Customer minimizing his/her reactive power load.

The reactive kilovolt-ampere demands may be determined either by permanently installed instruments or by test. When determined by test, the resulting reactive demand will remain in effect until a new test is made.

When reactive power correction equipment is installed by the Customer, such equipment must be



connected and switched in a manner acceptable to the District.

Section 04.04 Unmetered Service

Service to fixed loads, with fixed periods of operation, such as street lights, traffic lights and other similar installations may, for the convenience and mutual benefit of the Customer and the District, be unmetered. The average monthly use (one twelfth of the annual use) determined by test or estimated from equipment ratings shall be billed monthly in accordance with the applicable schedule.

Section 04.05 Customer's Use of Service

Electric Service will be supplied only to those for whom the District is the sole source of electric power and energy unless otherwise provided under an appropriate agreement. Service shall be used by the Customer only for the purposes specified in the Electric Service Agreement and applicable Electric Service Schedule(s). If the Customer obtains any part of his/her electric requirements from any source other than the District, supplementary or standby/inactive Service will be supplied only under Electric Service schedules specifically applicable to such service.

Section 04.06 Service to Tenants

The District supplies Electric Service for the exclusive use of the Customer. The Customer shall not extend his/her electric facilities for service to other Customers or premises and shall not resell Electric Service to any other person or entity unless taking Electric Service under Electric Service schedule(s) that specifically provide for reselling.

Electric power purchased by Customers shall be used solely by the Customer and its tenants involved in the same business enterprise and associated activities on the same premises. The cost of the Electric Service shall either be absorbed, or reflected in the rent or in the price of the goods or services as an unidentifiable charge to the tenant. Such Customers may also enter into three party agreements to allow the District to deliver power and energy to Customers' tenants through the Customers' electrical system.

Section 04.07 Tennant Notification of Account Status, Termination, and Right to Make Current

A tenant of property with an Active Connection shall have the right upon request to be provided with the current status of the customer account. At least 10 days prior to disconnection for non-payment the District will notify the Tennant of the property of the intent to terminate. The Tennant shall have



the right to make the account current for the property. If the Tennant makes the account current for the property the service shall not be disconnected for the reason of non-payment.

Section 04.08 Continuity of Service

Unless otherwise specified in an Electric Service Agreement, Electric Service is intended to be continuously available. It is inherent, however, that there will at times be some degree of failure, interruption, suspension, curtailment or fluctuations. The District does not guarantee constant or uninterrupted delivery of Electric Service and shall have no liability to its Customers or any other persons for any interruption, suspension, curtailment or fluctuation in Electric Service or for any loss or damage caused thereby if such interruption, suspension, curtailment or fluctuation results from the following:

Causes beyond the District's reasonable control including, but not limited to, accident or casualty, fire, flood, drought, wind, action of the elements or other acts of God, court orders, litigation, breakdown of or damage to Facilities of the District or of third parties, strikes or other labor disputes, civil, military or governmental authority, electric disturbances originating on or transmitted through electrical systems with which the District's system is interconnected and acts or omissions of third parties.

Repair, maintenance, improvement, renewal or replacement of Facilities, or any discontinuance of service which, in the District's judgment, is necessary to permit repairs or changes to be made in the District's generating, transmission or distribution facilities or to eliminate the possibility of damage to the District's property or to the persons or property of others. To the extent practicable, such work, repairs, or changes shall be done in a manner which will minimize inconvenience to the Customer and whenever practicable, the Customer shall be given reasonable notice of such work, repairs or changes.

Automatic or manual actions taken by the District, which in its sole judgment are necessary or prudent to protect the performance, integrity, reliability, or stability of the District's electric system or any electrical system with which it is interconnected. Such actions shall include, but shall not be limited to, the operation of automatic or manual protection equipment installed in the District's electrical system, including, without limitation, such equipment as automatic relays, generator controls, circuit breakers, and switches.



REGULATION R05: Customer's Installation

Section 05.01 Service Entrances and Connections

Attachment to District Facilities

The District will supply the exterior connection (service connection) between the District's Facilities and the point of delivery. The Customer shall provide a suitable service entrance to the premises to be served at the point specified by the District. The Customer shall also provide a stationary and structurally sound support for the interconnection of the District's and the Customer's facilities. The support shall be at a mutually agreeable location on the Customer's premises.

Metering Equipment

All meter bases for meters required for measuring Electric Service (including kVAR when specified by the District) shall be provided and installed by the Customer at a location acceptable to the District and shall conform to the District's specifications. The Customer's wiring, meter bases and service entrance facilities must be installed and maintained by the Customer in accordance with applicable municipal or state requirements and to standards required by the National Electrical Safety Code and National Electrical Code. When, in the District's judgment, profile data is required, the Customer will provide the necessary communications links. The District is not obligated to provide service when the Customer's equipment and installation does not meet the required standards.

Clearances

Whenever the initial clearances of serving Facilities over the Customer's premises, required by applicable laws, ordinances, rules, or regulations of public authorities, become inadequate due to changes made by the Customer, the Customer shall be responsible for correction of the deficiency. Such correction may require the Customer provide, at his/her own expense, a new approved support for connection of the District's serving Facilities as well as new service entrance Facilities.

Section 05.02 Customer's Load and Operation

Protection of Customer's Equipment

The Customer shall furnish, install, inspect and keep in good and safe condition all electrical wires and lines on the Customer's side of the point of delivery. The Customer shall provide



devices to protect his/her equipment from high and low voltage, overload, single phasing, phase reversal or other abnormal conditions.

Protection of the District's Equipment and other Customers

The Customer shall provide and use control equipment to eliminate excessive starting current or undesirable voltage fluctuations on the District's circuits. If the Customer makes any substantial additions or changes in his/her electrical facilities, either in size or character, the Customer shall give the District prior written notice of this fact. Any such additions or changes in load shall be of such size that it is not a detriment to the furnishing of service to other Customers.

Customers with Self-Generation

Electric Service will be furnished to a Customer with self-generation only by written agreement. Such agreement shall specify the terms and conditions governing the furnishing of Electric Service. The Customer's generating facilities will be allowed to be interconnected with the District's Facilities upon compliance with the provisions of an agreement acceptable to the district and upon acceptance by the District of a performance test for proper interconnection equipment operation. It shall be the responsibility of the Customer to supply all equipment, including but not limited to, transfer switches, disconnects, overload protection, and any other protective devices necessary to safely connect to and operate from another power source. The Customer shall be liable for all costs and liability associated with any damage or injury, including injury to District personnel or damage to District Facilities, resulting from using another power source.

Maintenance of Customer's Facilities

Installation and maintenance of all Facilities beyond the point of delivery, except metering equipment, shall be at the expense and responsibility of the Customer except under conditions specified by the District in writing. If a Customer requests a service call and the problem is in the Customer's Facilities, the District may charge for the service call as specified in Schedule RC.

Highly Fluctuating Loads

If Customer uses welding machines, X-ray apparatus, elevators or other equipment with highly fluctuating load characteristics, or having an abnormal effect on voltage, and whose operation requires the District to increase transformer capacity or install other equipment in order to protect the quality of service to other Customers or to provide for short period use of power by such equipment, the District will provide Electric Service as described in Electric Service Regulation No. 12.

The District reserves the right to refuse to supply Electric Service to loads of a character which



may seriously impair Service to any Customer and shall have the right to discontinue Electric Service to a Customer who continues to use appliances or apparatus detrimental to the Electric Service to any Customer after being notified thereof in writing by the District.

Balancing of Load

The Customer shall so arrange his load that there will be, at the Point of Delivery, a reasonable electric load balance between the phases of a polyphase circuit and between the two sides of a single-phase, three-wire circuit.

Section 05.03 Refusal of Service

The District shall have the right, but does not assume the duty, to inspect the Customer's installation at any reasonable time. The District reserves the right to disconnect service or to refuse to connect or supply service if

- a) the Customer's wiring or Facilities are in the District's judgment unsafe or hazardous to the Customer or others or found to be in violation of applicable laws, ordinances, rules or regulations;
- b) such connection or service will adversely affect or impair the service to its other Customers;
or
- c) the Applicant or Customer has not complied with state, municipal, or District regulations.

Where inspection is required by local ordinance or other authorized procedures, the District reserves the right to refuse to connect Service until the Customer is advised by proper authority that the wiring and utilization equipment to be served have been inspected and passed by the controlling public inspection authority. Any affidavits or certifications of inspection required by law must be furnished before Service is connected.

Section 05.04 Company Liability

Nothing in these Electric Service Regulations shall be construed as placing upon the District any responsibility for the condition or maintenance of the Customer's wiring, current consuming devices or other equipment, and the District shall not be held liable for any loss or damage resulting from defects in the Customer's Installation and shall not be held liable for damage to person or property arising from the use of the Service on the premises of the Customer.



REGULATION R06: District's Installation

Section 06.01 District's Installation

Except as otherwise provided in these Regulations, an Electric Service Agreement, or the Electric Service Schedules, the District will install and maintain its Facilities on its side of the Point of Delivery, but shall not be required to install or maintain any lines or equipment except meters and accessories beyond that point. Only the District is authorized to make the connections at the Point of Delivery. Electric Service furnished under this tariff will be alternating current, 60 hertz, single or three-phase, at one of the nominal standard voltages available from the District at or near the Customer's location.

Section 06.02 District Facilities on Customer's Premises

All materials furnished and installed by the District on the Customer's premises, shall be, and remain, the property of the District. The Customer shall not break the District's seals. In the event of loss or damage to the District's property, arising from negligence, neglect, carelessness, or misuse by the Customer, the cost of necessary repairs or replacement shall be paid by the Customer.

As needed and without expense to the District, a Customer shall make or procure conveyance to the District of satisfactory Rights-of-Way Easements across the property owned or controlled by the Customer for the District's lines or extensions thereof necessary or incidental to the furnishing of service to the Customer.

The Customer shall provide safe, unobstructed access to District representatives at all hours to maintain the District's Facilities. The Customer shall also permit the District to trim trees and other vegetation to the extent necessary to avoid interference with the District's lines and to protect public safety. Safe and unobstructed access is defined as free of any obstructions including, but not limited to, obstructions caused by structures, trees, vegetation, landscaping, equipment or vehicles, driveways or installed foundations, debris, or animals.



REGULATION R07: Metering

Section 07.01 Metering

All Customers receiving Electric Service from the District shall be metered.

The District shall have access to high grade testing instruments, working standards, to test the accuracy of meters or other instruments used to measure electricity consumed by its Customers. The error of accuracy of the working standards at both light load and full load shall be less than one percent of 100 percent of rated capacity. This accuracy shall be maintained by periodic calibration against reference standards. (R746-310-3(A)(2)).

All new meters shall be tested before installation. Removed meters shall be tested before or within 60 days of installation. In-service meters shall be periodically or sample tested. Upon written request, the District shall promptly test the accuracy of a Customer's meter. If the meter has been tested within 12 months preceding the date of the request, the District may require the Customer to pay a fee and make a deposit in accordance with Schedule RC. The deposit shall not exceed the estimated cost of performing the test. If the meter is found to have an error of more than two percent of tested capacity, the deposit shall be refunded; otherwise, the deposit may be retained by the District as a service charge. Customers shall be entitled to observe tests, and utilities shall provide test reports to Customers. In the event of a dispute, the Customer may request a referee test in writing. The Commission may require the deposit of a testing fee. Upon filing of the request and receipt of the deposit, if required, the Commission shall notify the District to arrange for the test. The District shall not remove the meter prior to the test without Commission approval. The meter shall be tested in the presence of a Commission representative, and if the meter is found to be inaccurate by more than two percent of rated capacity, the Customer's deposit shall be refunded; otherwise, it may be retained. (R746-310-3(B)).

If a meter tested pursuant to this section is more than two percent fast, the District shall refund to the Customer the overcharge based on the corrected meter readings for the period the meter was in use, not exceeding six months, unless it can be shown that the error was due to some cause, the date of which can be fixed. In this instance, the overcharge shall be computed back to, but not beyond that time. (R746-310-3(C)).

If a meter tested pursuant to this section is more than two percent slow, the District may bill the Customer for the estimated energy consumed but not covered by the bill for a period not exceeding six months unless it can be shown that the error was due to some cause, the date of which can be fixed. In this instance, the bill shall be computed back to, but not beyond that time. (R746-310-3(C)).



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If a meter does not register, the District may bill the Customer for the estimated energy used but not registered for a period not exceeding three months. (R746-310-3(C)).

The District shall maintain records for each meter until retirement. This record shall contain the identification number; manufacturer's name, type and rating; each test, adjustment and repair; date of purchase; and location, date of installation, and removal from service. The District shall keep records of the last meter test for every meter. At a minimum, the records shall identify the meter, the date, the location of and reason for the test, the name of the person or organization making the test, and the test results.

The District will cause to be installed a suitable meter on an Applicant's premises in a location furnished by the Applicant and approved by the District, which shall be located on the exterior of the structure and shall be accessible for reading, testing and maintaining the meter. No rent or other charge shall be made by the Applicant for the use of this location.

In multiple occupancy buildings where a number of meters are required to measure the electricity supplied, all meters shall be located on the exterior of the structure at a central point and each meter socket or panel will be clearly marked to indicate the particular location supplied through it.

All meters will be sealed by the District at the time of installation and no seal shall be altered or broken except by one of its authorized employees.

All service switches, disconnects, meter sockets, and similar devices, irrespective of voltage, required by law in connection with a service and meter installation on a Customer's premises shall be furnished and installed by the Customer, subject to District approval.

The District shall install the instruments necessary to obtain a record of the load on its systems, showing at least the monthly peak and a monthly record of the output of its power generation facilities. If the District ever purchases electrical energy then the District shall install the instruments necessary to furnish information regarding monthly purchases of electrical energy, unless those supplying the energy have already installed instruments from which that information can be obtained. The District Manager shall maintain records indicating the data obtained by station instruments.

The District shall own or have access to portable voltmeters or other devices necessary to accurately measure, upon complaint or request, the quality of Electric Service delivered to its Customer to verify compliance with the standard established in Subsection R746-310-4(B)(1). The District shall make periodic voltage surveys sufficient to indicate the character of the service furnished from each distribution center and to ensure compliance with the voltage requirements of these rules.

The District shall inspect poles, towers and other similar structures with reasonable frequency in order



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to determine the need for replacement, reinforcement or repair. Unless otherwise ordered by the Commission, the requirements contained in the National Electrical Safety Code, as defined at R746-310-1(B)(13), constitute the minimum requirements relative to 1) the installation and maintenance of electrical supply stations, 2) the installation and maintenance of overhead and underground electrical supply and communication lines, 3) the installation and maintenance of electric utilization equipment, 4) rules to be observed in the operation of electrical equipment and lines, and 5) the grounding of electrical circuits. (R746-310-4).

Facilities owned or operated by the District and used in furnishing electricity shall be designed, constructed, maintained, and operated so as to render adequate and continuous service. The District shall, at all times, use every reasonable effort to protect the public from danger and shall exercise due care to reduce the hazards to which employees, Customers and others may be subjected from the District's equipment and Facilities. (R746-310-5).



REGULATION R08: Billings

Section 08.01 Unified Billing

The District will send each customer a unified bill each billing cycle for all utility services that the District provides (electric, water, wastewater, and solid waste). Nonpayment or incomplete payment of a unified bill may result in disconnection in any or all of the utility services provided by the District pursuant to these regulations and detailed in Section 10.01.

Section 08.02 Electric Service Billings

The District will bill Customers on a monthly basis, based on actual or estimated meter readings. Actual meter readings will be used unless a meter reader is unable to gain access to a meter reading, in which case the District will take appropriate additional measures in an effort to get an actual meter reading. These measures shall include, but are not limited to, scheduling of a meter reading at other than normal business hours, making an appointment for meter reading, or providing a prepaid postal card with a notice of instruction upon which a Customer may record a meter reading. If after two regular route visits, access has not been achieved, the District will notify the Customer that he must make arrangements to have the meter read as a condition of continuing service. If the District cannot make an actual meter reading, after taking all of the actions listed, then the District will give an estimated bill for the current billing cycle, provided that actual readings shall occur at least once in each two month period. (R746-200-4(B)).

All accounts will be created and held by the Property Owner or Property Owner's designated Landlord. Tenants may not create an account with the District, nor will the Tenant be held responsible for any payment of utility services on a monthly basis to the District. The Property Owner, or their designated Landlord, will be responsible for all aspects of the District's utility services, including but not limited to, service and regulation charges.

The District will allow the Property Owner, or their designated Landlord, to pass-through, or have included in the Property Owner's lease/rental agreement with the Tenant the actual costs for utility services. The Property Owner, or their designated Landlord, may not mark-up or increase the cost for utilities for their benefit or profit. A Property Owner, or their designated Landlord may only charge a Tenant the actual cost of utility service as billed to the Property Owner, or their designated Landlord, by the District.

If the Property Owner has enrolled in one of the budget billing schedules of the District, the Property Owner may not charge more than the District charges.



Where a Property Owner is not enrolled in one of the District's budget billing schedules, the Property Owner may pass on the cost for utility services including per kWh costs, but may not detail that charge as a per kWh rate or per gallon. Per kWh, and per gallon, charges are reserved for the District's billing, by the District only.

As exception to this regulation may be made by, and at the sole discretion of the District under the following conditions:

- An existing Customer of the District who is a Tenant of the Property Owner, and has been in good standing with the District for more than one (1) year prior to the adoption of this regulation may continue as the Customer of the District and Keep their account active.
- If the existing Customer disconnects or otherwise terminates their agreement either voluntarily or involuntarily, and wishes to re-connect utility services, then the re-connections must be handled by the Property Owner, or their designated Landlord, who will then be responsible for all utility services going forward.

Customers shall have 20 days from the date a bill is prepared to pay the new balance, which date will be the statement due date. (R746-200-4(E)).

Section 08.03 Late Payment Charge

A Late Payment Charge may be levied against any account that has not paid its balance as stated on the unified bill in full each month. This charge will be computed at a percentage specified in Schedule RC applied to the unpaid delinquent balance brought forward on the subsequent month's bill. All payments received prior to the subsequent month's billing date, will apply to the Customer's account prior to calculating the Late Payment Charge. Those payments applied shall satisfy the oldest portion of the billing first, any other billings second and the current billing last.

Section 08.04 Returned Payment Charge

A charge, as specified in Schedule RC, may be assessed and collected by the District for each returned payment.

Section 08.05 Disputed Bill

The District will attempt to resolve all disputes concerning bills by negotiation. If the negotiation does not resolve the dispute, the account holder may obtain informal and formal review of the dispute as set forth in R746-200-8, Informal Review, and R746-200-9, Formal Review. While a Customer is proceeding with either informal or formal review of a dispute, no termination of service shall be



permitted if amounts not disputed are paid when due. (R746-200-4(F)).

Section 08.06 Proration

Under certain circumstances the District may prorate all or certain portions of a Customer's unified bill. Prices may be prorated for power charges, facilities charges, customer charges and other charges. Quantities may be prorated between different prices for energy charges. For rate schedules that have energy blocks, the size of the blocks may be prorated.

The following circumstances will result in proration:

Opening and Closing Bills and Seasonal Disconnections

Customer bills issued for the start and close of service and customer bills issued for seasonal disconnection of service will be prorated proportional to the number of days in the billing period and a standard 30 day billing period.

Non-standard Billing Periods

Residential customer bills issued for billing periods of less than 26 days or more than 34 days will have the energy blocks prorated proportional to the number of days in the billing period and a standard 30 day billing period.

Price Changes

Customer bills issued for billing periods where changes in prices become effective on a specific date in the period are prorated proportional to the number of days in the billing period served on the old price and the number of days in the billing period served on the new price.

Seasonal Changes

Customer bills issued for billing periods that include both winter and summer rates will be prorated proportional to the number of days in the billing period in each of the winter or summer months. The size of the pricing blocks within each season will be prorated proportional to the number of days in the billing period within each season.

Irrigation and Post Season Changes

Irrigation customer bills issued for billing periods that include both irrigation season, May 25 to September 15, and non-irrigation season periods will be prorated proportional to the number of days in the billing period within each season.



Section 08.07 Back Bills

As used in this subsection, the term “back bill” is that portion of a bill, other than a levelized bill, which represents charges not previously billed for service that was actually delivered to the Customer during a period before the current billing cycle, and the term “catch-up bill” is a bill based upon an actual reading rendered after one or more bills based on estimated or customer readings. A catch-up bill which exceeds by 50 percent or more the bill that would have been rendered under a utility's standard estimation program is presumed to be a back bill.

The Customer may be notified by mail, by phone, or by a personal visit, of the reason for the back bill. This notification shall be followed by, or include, a written explanation of the reason for the back bill that shall be received by the Customer before the due date and be sufficiently detailed to apprise the Customer of the circumstances, error or condition that caused the under billing, and, if the back bill covers more than a 24-month period, a statement setting forth the reasons the utility did not limit the back bill under Subsection R746-310-8(D).

The District shall not render a back bill more than three months after the District actually became aware of the circumstance, error, or condition that caused the under billing. This limitation does not apply to fraud and theft of service situations

The District shall not bill a Customer for service rendered more than 24 months before the District actually became aware of the circumstance, error, or condition that caused the under billing or that the original billing was incorrect.

In case of customer fraud, the District shall estimate a bill for the period over which the fraud was perpetrated. The time limitation of R746-310-8(D)(1) does not apply to customer fraud situations.

The District shall permit the Customer to make arrangements to pay a back bill without interest over a time period at least equal in length to the time period over which the back bill was assessed. If the District has demonstrated that the Customer knew or reasonably should have known that the original billing was incorrect or in the case of fraud or theft, in which case, interest will be assessed at the rate applied to past due accounts on amounts not timely paid in accordance with the established arrangements.

Section 08.08 Overbilling

Electric Service billing under the following conditions constitutes overbilling according to R746-310-9:

- A meter registering more than two percent fast, or a defective meter



- Use of an incorrect watt-hour constant
- Incorrect service classification, if the information supplied by the customer was not erroneous or deficient
- Billing based on a switched meter condition where the customer is billed on the incorrect meter
- Meter turnover, or billing for a complete revolution of a meter which did not occur
- A delay in refunding payment to a customer pursuant to rules providing for refunds for line extensions
- Incorrect meter reading or recording by the district
- Incorrect estimated demand billings by the district

Section 08.09 Interest

The District shall pay interest on customer payments for overbilling. The interest rate shall be the greater of the interest rate paid by the District on customer deposits, or the interest rate charged by the District for late payments.

Interest shall be paid from the date when the customer overpayment is made, until the date when the overpayment is refunded. Interest shall be compounded during the overpayment period.

The District shall not be required to pay interest on overpayments if offsetting billing adjustments are made during the next full billing cycle subsequent to the receipt of the overpayment.

The District shall be required to offer refunds, in lieu of credit, only when the amount of the overpayment exceeds the greater \$50 or the sum of two average month's bills. However, the District shall not be required to offer a refund to a Customer having a balance owing to the District, unless applying the overpayment amount to the Customer's account would result in a credit balance in favor of the Customer.

If a Customer is given a credit for an overpayment, interest will accrue only up to the time at which the first credit is made, in cases where credits are applied over two or more bills.

The District shall not be required to make a refund of or give a credit for overpayments that occurred more than 24 months before the Customer submitted a complaint to the District or the Commission, or the District actually became aware of an incorrect billing which resulted in an overpayment.

When the District can demonstrate before the Commission that a Customer knew or reasonably should



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have known an overpayment to be incorrect, the District shall not be required to pay interest on the overpayment.

Section 08.10 Customer Accounts

Each Active Connection shall be treated as a separate and distinct account. Delinquent payment or other basis for termination on one or more accounts of a Property Owner or Landlord shall not constitute a basis for termination of service on any other Active Connection account.



REGULATION R09: Deposits

Section 09.01 New Electric Service Connections

All new Customers shall pay a connection fee and provide a security deposit as described in Schedule RC at the time of connecting to the District's system. Additionally, all Customers who are tenants and not the owners of the property on which they desire service shall provide a security deposit as described in Schedule RC at the time of connecting to the District's system.

The District shall pay interest on all security deposits at the rate set in Schedule RC. The deposit paid, plus accrued interest, is eligible for return to the Customer after the Customer has paid the bill on time for 12 consecutive months.

A residential Customer has the right to pay a security deposit in at least three equal monthly installments if the first installment is paid when the deposit is required. (R746-200-3(A)(3)).

New Customers may also be required to pay Impact Fees and Hookup Fees as set forth in Schedule RC.

When Electric Service is extended to a Customer, the District will provide the Customer with a consumer information pamphlet approved by the Public Service Commission which clearly describes and summarizes the substance of Public Service Commission's rules. The District will mail or deliver a copy of this pamphlet to its residential Customers annually in September or October. Copies of this pamphlet will be prominently displayed in the District office and furnished to consumers upon request. The District will inform its Customers of significant amendments to those rules. (R746-200-1(E)).

When Electric Service is extended to a Customer, annually, and upon first notice of an impending service disconnection, the District will provide a copy of the "Customer's Statement of Rights and Responsibilities" as approved by the Commission. The Statement of Rights and Responsibilities will be a single page document. It will be prominently displayed in the District's office. (R746-200-1(G)).



REGULATION R10: Termination of Services & Deferred Payment Agreement

Section 10.01 Termination of Service

The District may terminate service for any of the following reasons (R746-200-7(B)):

- Nonpayment of a delinquent account for any District utility service
- Nonpayment of a deposit when required,
- Failure to comply with the terms of a deferred payment agreement or Public Service Commission order
- Unauthorized use of, or diversion of, residential utility service or tampering with wires, pipes, meters, or other equipment or Facilities
- Subterfuge or deliberately furnishing false information
- Failure to provide access to a meter during the regular route visit to the premises following proper notification and opportunity to make arrangements.

When an account is delinquent, the District will issue a written late notice to inform the Customer of the delinquent status. The late notice will include (a) a statement that the account is a delinquent account and should be paid promptly, (b) a statement that the Customer should communicate with the District's collection department, by calling the District, if he or she has a question concerning the account, and (c) a statement of the delinquent account balance, using a term such as "delinquent account balance." (R746-200-7(A)(2)).

The following shall be insufficient grounds for termination of service:

- A delinquent account, accrued before a divorce or separate maintenance action in the courts, in the name of a former spouse
- Cohabitation of a current Customer with a delinquent Customer whose utility service was previously terminated for non-payment, unless the current and delinquent Customers also cohabited while the delinquent Customer received the utility's service, whether the service was received at the current Customer's present address or another address
- When the delinquent account balance is less than \$25.00, unless no payment has been made for two months



**Ticaboo Utility Improvement District
Ticaboo, UT**

Original Sheet No. ER-10-2

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- Failure to pay an amount in bona fide dispute before the Commission
- Payment delinquency for third party services billed by the regulated utility company, unless prior approval is obtained from the Commission

Service by the District may not be terminated and will be restored if terminated when the termination of service will cause or aggravate a serious illness or infirmity of a person living in the residence. Utility service will be restored or continue for one month or less. (R746-200-7(C)).

Upon receipt of a statement, signed by an osteopathic physician, a physician, a surgeon, a naturopathic physician, a physician assistant, a nurse, or a certified nurse midwife, as the providers are defined and licensed under Title 58 of the Utah Code, on the health care provider's letterhead stationery, which statement legibly identifies the health infirmity or potential health hazard, and how termination of service will injure the person's health or aggravate their illness, the District will continue or restore residential utility service for the period set forth in the statement or one month, whichever is less; however, the person whose health is threatened or illness aggravated may petition the Commission for an extension of time.

During the period of continued service, the Customer is liable for the cost of residential utility service. No action to terminate the service may be undertaken, however, until the end of the period of continued service.

The District shall not terminate service to a residence in which the Customer or a resident is known by the District to be using an iron lung, respirator, dialysis machine, or other life-supporting equipment whose normal operation requires continuation of the District's service, without specific prior approval by the Commission. Customers eligible for this protection can obtain it by filing a written notice with the District, which notice form is to be obtained from the District, signed and supported by a statement from a licensed health care provider, and specifically identifying the life-support equipment that requires the utility's service. Thereupon, the District shall mark and identify applicable meter boxes when this equipment is used.

The District may terminate utility service without notice when, in its judgment, a clear emergency or serious health or safety hazard exists for so long as the conditions exist, or when there is unauthorized use or diversion of residential utility service or tampering with wires, pipes, meters, or other equipment owned by the utility. The utility shall immediately try to notify the Customer of the termination of service and the reasons therefore. (R746-200-7(F)).



Section 10.02 Notice of Proposed Termination of Service

At least 10 calendar days before a proposed termination of service, the District will give written notice of disconnection for nonpayment to the Customer. The 10-day time period is computed from the date the notice is postmarked. The notice shall be given by first class mail or hand delivery to the premises and shall contain a summary of the following information:

- Statement of Customer Rights and Responsibilities under existing state law and Commission rules
- The District's policy on termination of service
- The availability of deferred payment agreements and sources of possible financial assistance including but not limited to state and federal energy assistance programs
- Informal and formal procedures to dispute bills and to appeal adverse decisions, including the Public Service Commission's address and telephone number
- Specific steps, printed in a conspicuous fashion, that may be taken by the consumer to avoid termination of service
- The date on which payment arrangements must be made to avoid termination of service

At least 48 hours before termination of service is scheduled, the utility shall make good faith efforts to notify the Customer or an adult member of the household, by mail, by telephone or by a personal visit to the residence. If personal notification has not been made either directly by the utility or by the Customer in response to a mailed notice, the utility shall leave a written termination of service notice at the residence. Personal notification, such as a visit to the residence or telephone conversation with the Customer, is required only during the winter months, October 1 through March 31. Other months of the year, the mailed 48-hour notice can be the final notice before the termination of service.

If termination of service is not accomplished within 15 business days following the 48-hour notice, the utility company will follow the same procedures for another 48-hour notice.

The District will send duplicate copies of 10-day termination of service notices to a third party designated by the Customer and will make reasonable efforts to personally contact the third party designated by the Customer before termination of service occurs, if the third party resides within its service area. The district will inform its Customers of the third-party notification procedure at the time of application for service and at least once each year.

In rental property situations where the tenant is not the Customer and that fact is known to the District,



the District shall post a notice of proposed termination of service on the premises in a conspicuous place and shall make reasonable efforts to give actual notice to the occupants by personal visits or other appropriate means at least five calendar days before the proposed termination of service. This notice provision applies to residential premises when the Customer has requested termination of service or the Customer has a delinquent bill. If nonpayment is the basis for the termination of service, the District will advise the tenants that they may continue to receive utility service for an additional 30 days by paying the charges due for the 30-day period immediately preceding the date of the notice.

Upon expiration of the notice of proposed termination of service, the District will terminate utility service. Except for service diversion or for safety considerations, utility service shall not be disconnected between Thursday at 4:00 p.m. and Monday at 9:00 a.m. or on legal holidays recognized by the State of Utah, or at other times the utility's business offices are not open for business. Service may be disconnected only between the hours of 9:00 a.m. and 4:00 p.m.

Section 10.03 Disconnection Of Service

A Customer shall advise the District at least three days in advance of the day on which the Customer wants utility service disconnected. The District will disconnect the service within four working days of the requested disconnect date. The Customer shall not be liable for the services rendered to or at the address or location after the four days, unless access to the property and/or meter(s) has been delayed by the Customer.

In residential rental property situations where the tenant is not the Customer, the Customer shall advise the District at least 10 working days in advance of the day on which the Customer wants service disconnected and shall sign an affidavit that he is not requesting termination of service as a means of evicting his tenants. Alternatively, the Customer may sign an affidavit that there are no occupants at the residence for which termination of service is requested. In either case, provided the applicable requirements are met by the Customer, the District will disconnect the Service within four working days of the requested disconnect date.

Section 10.04 Deferred Payment Agreement

An Applicant or Customer who cannot pay a delinquent account balance on demand will have the right to receive utility service under a deferred payment agreement subject to R746-200-5(B) unless the delinquent account balance is the result of unauthorized usage of, or diversion of, utility service. If the delinquent account balance is the result of unauthorized usage of, or diversion of, residential utility service, the District will not allow the use of a deferred payment agreement. (R746-200-5(A)).



An Applicant or Customer shall have the right to a deferred payment agreement, consisting of 12 months of equal monthly payments, if the full amount of the delinquent balance plus interest (at the rate set in Schedule RC) will be paid within the 12 months and if the Applicant or Customer agrees to pay the initial monthly installment. The Customer may pre-pay a monthly installment, pre-pay a portion of, or the total amount of the outstanding balance due under a deferred payment agreement at any time during the term of the agreement. The Customer also has the option, when negotiating a deferred payment agreement, to include the amount of the current month's bill plus the reconnection charges in the total amount to be paid over the term of the deferred payment agreement. (R746-200-5(A)).

Section 10.05 HEAT Program

The District shall allow its Customers to participate in the Utah Home Energy Assistance Target (HEAT) program. The District Manager shall coordinate all contact with the Customer, HEAT Program Manager, and any other person or entity required for the Customer to participate in the program.

The District will not discontinue utility service to a low-income household for at least 30 days after receipt of utility payment from the state HEAT program on behalf of the low-income household.

Section 10.06 Reconnection Charges

If utility service is disconnected because of nonpayment or any portion of a unified bill, violation of Electric, Water, Wastewater, or Solid Waste Regulations, voluntary disconnection by the Customer, or tampering with District Facilities, the Customer shall pay a reconnection fee as set in Schedule RC before the District will reconnect the Customer's Service.

Any Customer that tampers with District Facilities or attempts to reconnect service without District approval shall pay the Tampering/Unauthorized-Reconnection Charge as set in Schedule RC. In such a case, the District may take other action, including termination of Service, as the District deems necessary.



**Ticaboo Utility Improvement District
Ticaboo, UT**

Original Sheet No. ER-11-1

P.S.C. Utah No. 1

REGULATION R11: Taxes

Section 11.01 Taxes

In the event any Government authority imposes any franchise, occupation, sales, license, excise, business activities, or other tax or charge of any kind or nature, including but not limited to taxes or charges based upon meters or Customers, or the price of or the revenue from electric energy or service sold, the applicable pro rata share of the tax will be separately itemized and billed to all Customers in the area or locality in which such tax or charge applies.

Section 11.02 State Sales Tax

In addition to franchise, occupation, license, business activity and other locally imposed taxes, state sales tax levies in effect will be added to each Customer's Electric Service bill as a part of the effective rate, separately itemized.



REGULATION R12: Electric Service Line Extensions

Section 12.01 Overview

This Line Extension Policy governs the basic rights and duties of the District and the Customer, for the extension of new electrical service. This Policy is not intended to cover every specific situation or eventuality. The Board of Trustees is therefore authorized to make policy adjustments to accommodate those unique situations as they arise.

Section 12.02 Definition of Line Extension

A Line Extension is any continuation of, or branch from, the nearest available existing service line of the District, including any increase in capacity of an existing line to meet the Customer's requirement.

Section 12.03 Costs

The total cost of an extension, including engineering, labor and material shall be paid by the Applicant. The District shall provide to the Customer or Applicant a good faith estimate of the cost of the project, which shall be based upon the actual necessary cost of constructing and installing the line extension and Facilities necessary to adequately supply the service requested by the Customer or Applicant. Where more than one Applicant is involved in an extension, the costs shall be prorated on the basis of the street frontage distances involved. Sufficient infrastructure shall be included with every installation. The Applicant must pay 100% of the cost of the Line Extension.

The Customer shall also pay the Extension Facilities Charges as set forth on Schedule RC. The Extension Facilities Charges cover the costs associated with the ownership, operation and maintenance of Facilities built to provide service and are in addition to rate schedule billings

Section 12.04 Construction Standards

Facility sizes shall be designed by the District, but the size shall never be smaller than necessary for sufficient transmission and voltage. The District has ultimate authority to choose the contractor, but may provide a list of approved contractors from which the Customer may choose.

Section 12.05 Ownership

Completed Facilities, including the meters, shall be owned, operated, and maintained by the District as detailed in the Rules and Regulations.



Section 12.06 Electric Power Supply

All costs, other than line extension costs, for providing needed electric power supply shall be paid by the District. These costs shall include the installation and operation of transformers and voltage regulators as required for proper regulation of the system.

Section 12.07 Temporary Service

The Customer will pay the total cost for the installation and removal of any extensions for service to a venture of a temporary or speculative permanency according to Schedule RC. The Customer shall pay the estimated cost to the District before the District begins work on the extension.

Section 12.08 Service from Prior Extension

Customers desiring service from a prior extension less than five (5) years old, to which a contribution has been made by another Customer, must pay their proportionate share of that contribution in advance of construction. This amount is in addition to any contributions required by this policy.

Section 12.09 Refunding Contributions

The District shall refund contributions by new Customers on a preexisting line extension, to the contributor(s) to that extension, or to the current owners of the affected properties. The purpose of this refund is that all customers served from the extension share proportionally in the cost of the extension. Refunds apply to monetary contributions only and shall be made to the legal owner(s) of the property served by the extension at the time of the refund.

EXHIBIT C

regional transmission power lines connect to the District's system and the District must generate all of the electricity it serves. There are currently 48 active customers who receive electricity and other services.

The remote Ticaboo area was not settled until the late 1970's when nearby uranium mines were developed. Eventually two uranium mines were opened and a mill was constructed. Both mines have only operated sporadically and both are now closed. Nearby, Lake Powell provided tourism as a second, though limited, economy. The District, which began providing electrical service in 2010, took over electrical service from the mines that constructed and had operated the electrical infrastructure since the 1970's. Prior to the District taking over in 2010, there was no public utility authorized to provide service.¹ Over the years, The District and its predecessors have served as many as 150 customers and as few as 26. The sporadic operation of the mines and the seasonal nature of Lake Powell tourism causes wide fluctuation in the number of customers served by the District.

The District is one of only two districts authorized to serve electricity in Utah.² It is the smallest provider of electricity to the public in Utah. The District employs one full time employee, General Manager and CEO Chip Shortreed. District Board Members and other local residents regularly volunteer to keep the District functioning. A large portion of the area served by the District is State of Utah School Trust Lands administered by the School and Institutional Trust Land Administration (“SITLA”). A portion of those lands are leased to a private entity that operates the Ticaboo Resort.

Unlike investor owned utilities, under Utah law the District is not fully regulated by the Commission. Water, wastewater, and garbage services are not subject to Commission regulation. The only regulated service, electricity, is exempt from certain aspects of Commission regulation, as discussed in detail below.

2. Revised Tariff Filed By the District on March 20, 2015

¹ Garfield County created the Ticaboo Electrical Service District in 2009 and the Utah Legislature authorized its provision of electrical service through SB188 that same year. The Ticaboo Electrical Service District and the Ticaboo Special Service District later merged to create the District. No prior electrical service provider had any legal right to operate as a public utility.

² The other is South Utah Valley Electric Service District which serves electricity in a portion of Utah County.

The District filed the revised Tariff sheets which are at issue with the Commission on March 20, 2015 (the “**Revised Tariff**”, a redlined copy of the tariff sheets with substantive changes in the Revised Tariff is attached as **Exhibit A**). The driving force in revising the District’s Tariff was SITLA’s dissatisfaction with the District’s standby fees for developed residential lots not currently being served by the District and the abandonment application fee required to abandon utility service to a particular parcel and terminate the standby fees. SITLA, which is not a customer of the District, objected to these fees. SITLA’s lessee refused to pay standby fees and SITLA vowed to bring legal action against the District to contest the fees. Negotiations fortunately resulted in a settlement with SITLA. (A copy of the settlement agreement is attached as **Exhibit B**.) In this settlement SITLA agreed to pay the standby fees its lessee owed to the District and the lessee abandoned a number of connections not currently being served, paying a lower abandonment application fee in the Revised Tariff. The Revised Tariff implements the settlement with SITLA and clarifies various definitions, establishes fees for unauthorized use of utility services provided by the District, clarifies responsibility for payment for District services in landlord/tenant situations, and makes various other changes. For the sake of simplicity and uniformity and to allow for formatting changes and minor corrections, the District submitted a completely new Revised Tariff, although substantive changes from the prior Tariff as first filed on October 14, 2013 were primarily made to Regulations 02.01 (Definitions), 03.12 (Abandonment of Utility Services) and 08.02 (Electric Service Billings) (See **Exhibit A**).

3. Division of Public Utilities Action Request Response

As requested by the Commission, the Division reviewed the District’s Revised Tariff and issued an “Action Request Response” on April 13, 2015 (the “**Division Response**”). The Division expressed concern with the standby fees charged by the District to inactive customers even though standby fees were not changed by the Revised Tariff but were, in fact, implemented by the District in 2013 and reviewed by the Division in Docket 13-2508-T02. The Division did not recommend rejection or even question the standby fees in its Action Request Response filed in Docket 13-2508-T02. (A copy of this Action Request Response is attached as **Exhibit C**.) The Division also noted that the effective date of the Tariff preceded the date on which the revised Tariff was filed

with the Commission. The Division asserts that the Tariff should be rejected by the Commission based on its interpretation of Utah Code § 54-3-3, which states “. . . no change shall be made by any public utility in any rate, fare, toll, rental, charge or classification, . . . except after 30 days' notice to the commission and to the public as herein provided.”³ The Division also recommended that the Commission prohibit the District from charging standby fees to inactive utility customers.

As requested by the Commission, the District will address (1) compliance with Utah Code Ann. § 17B-2c-406 and § 54-3-3 and (2) appropriateness of standby and abandonment fees.

³ The Division’s recommendation of rejection for failure to comply with Utah Code Ann. § 54-3-3 is puzzling as only the effective date of the Revised Tariff is affected by this statute.

A. Compliance with U.C.A. § 17B-2a-406 and Notice to Commission Under U.C.A. § 54-3-3

The Division Response posits that the revised Tariff does not comply with Utah Code §§ 17B-2a-406 and 54-3-3 and therefore the Revised Tariff should be rejected by the Commission. The Division Response recommending rejection implies, without providing any real explanation or legal authority, that the Commission has jurisdiction and authority to approve or reject the Revised Tariff. The District respectfully disagrees. The Commission is a creature of Utah statute and thus only has jurisdiction and authority specifically delegated to it by the Legislature. As noted by the Utah Supreme Court in *Bear Hollow Restoration, LLC v. Public Service Comm'n of Utah*, 2012 UT 18, ¶18, “the [Public Service] Commission has no inherent regulatory powers other than those expressly granted or clearly implied by statute.” The Commission’s jurisdiction and authority over improvement districts providing electricity (as well as electrical distribution cooperatives) is limited by statute.⁴ Electrical improvement districts, such as the District, are declared to be public utilities and subject to the jurisdiction of the Commission in Utah Code Ann. § 17B-2a-406(2). Thus the Commission’s jurisdiction over the District is derived solely through Utah Code Ann. § 17B-2a-406(2).⁵ However, in subsection (6)(a), it states that a critical jurisdictional provision in Title 54, Section 54-7-12, does not apply to rate changes of an electric improvement district if:

- (i) the district is organized for the purpose of distributing electricity to customers with the boundary of the district on a not-for-profit basis;
- (ii) the schedule of the new rates or other change that results in new rates has been approved by the board of trustees of the district;
- (iii) prior to the implementation of any rate increases, the district first holds a public meeting for all its customers to whom mailed notice of the meeting is sent at least 10 days prior to the meeting;
and
- (iv) the district has filed the schedule of new rates or other change with the commission.

The District has complied with all requirements listed in Utah Code § 17B-2a-406(6)(a). The Commission, in Docket 09-2508-01, examined the District at the time the District was created by Garfield County. In that docket,

the Commission, in its Report and Order Granting Certificate Of Public Convenience And Necessity, issued November 30, 2009, stated in the Conclusions of Law section that the District “meets each of the statutory requirements under Utah Code Ann. § 17B-2a-406 and Utah Code Ann. § 54-4-25 for issuance of a Certificate of Convenience and Necessity to operate as a public utility rendering electrical power services within the District’s boundaries” and that the District will “operate as a public utility subject to regulation by the Commission except that District’s rates need not be initially approved by the Commission under Utah Code Ann. §54-7-12.” (A copy of this Report and Order is attached as **Exhibit D**.) Clearly the requirements of subsection (i) have been met. The Division reviewed the meeting minutes and board resolutions regarding the tariff changes and concluded that each change was properly approved at a public meeting of the District’s Board of Trustees (See Division Response, page 3). All Board of Trustees meetings are noticed according to the Utah Open and Public Meetings Act and District customers are provided at least 10 days’ advance mailed notice of meetings at which the Board of Trustees is planning to vote on possible rate increases. (A copy of the relevant agendas is attached as **Exhibit E**. Due to the voluminous nature of the combined minutes, resolutions and supporting documentation for tariff changes those documents are not included here; however, the District will provide all such documents on request.) (A declaration from Chip Shortreed regarding mailed notice is attached as **Exhibit F**). Such notice and action by the District Board satisfies subsections (ii) and (iii). Finally, as the Commission is aware, the District filed the revised Tariff with the Commission on March 20, 2015, meeting the requirements of subsection (iv). In light of the undisputed facts, a rational argument that the District has not complied with Utah Code Ann. § 17B-2a-406 cannot be made. The District’s Revised Tariff is thus entitled to the full exemption from Utah Code Ann. § 54-7-12.

⁴ Distribution cooperatives are in essentially the same situation as electric districts regarding Commission authority over rates and regulations as Utah Code § 54-7-12(7) (applicable to co-ops) and Utah Code Ann. § 17B-2a-406 (applicable to districts) provide exemption from the ratemaking procedures of Utah Code Ann. § 54-7-12 upon compliance with certain very similar requirements—including filing of the changes with the Commission.

⁵ As is well known, municipalities, the other governmental entity which provides electric service, are not public utilities as that phrase is defined and used in Title 54 of the Utah Code and are not subject to any Commission jurisdiction or regulation.

Utah Code Ann. § 54-7-12, which as shown above does not apply to the District, grants the Commission authority over and sets forth procedures for the setting of rates by other public utilities.⁶ Thus the District is exempt from Commission jurisdiction and authority for setting rates which include the standby, abandonment and other fees in the Revised Tariff and the Commission can neither approve nor reject the rates including fees and other charges in the Revised Tariff established by the District through the procedure set forth in Utah Code Ann. § 17B-2a-406(6)(a).

Recognition of the exemption of electrical improvement district tariffs from Commission oversight and approval is further demonstrated by the practice of the Commission to simply acknowledge and file tariff filings by electrical improvement districts and electrical distribution cooperatives. A review of the Commission's public files on its website failed to reveal a single instance of a tariff filing by either an electrical district or electrical distribution cooperative being subjected to an approval process by the Commission. In each case, the Action Request Response by the Division only recommends the Commission acknowledge the filed tariff. There is no claim or suggestion that the tariff be approved by the Commission. (For an example, see **Exhibit G**, which is a copy of the Action Request Response filed by the Division in Docket No. 14-2167-T01 for South Valley Electric Service District.) In fact, the recommendation of rejection by the Division appears to be without precedent. The Commission is simply without jurisdiction and authority under Utah Code Ann. § 17B-2a-406 and § 54-7-12 to reject the Tariff as urged in the Division Response.

As this Commission well knows, the core rationale why public utilities are fully regulated by the Commission and why municipalities providing the exact same electric service are totally unregulated is the lack of consumer representation as to rates charged by investor owned public utilities such as Rocky Mountain Power, while in a municipality, such as Bountiful City, the utility customers have access through the ballot box to the governing board, i.e., the city council.

⁶ The term "rates" is not defined in Title 54. However, the phrase "base rates" is defined in Utah Code Ann. § 54-7-12(1)(a)(i) as "those charges included in a public utility's applicable rate tariffs, including: (A) a fare; (B) a rate; (C) a rental; (D) a toll; or (E) any other charge generally applicable to a public utility's rate tariff."

This same rationale applies to electrical districts and distribution cooperatives. The Utah Supreme Court has recognized this distinction in *Garkane Power Co. v. Public Service Comm'n*, 100 P.2d 571 (Utah 1940). This is one more reason why the Commission should not accept the Division's invitation to veer from a well-trod path allowing electric districts and distribution cooperatives to regulate their rates through voters and members, respectively.

The Division also cited Utah Code Ann. § 54-3-3 and on that basis recommends that the Commission reject the District's revised tariff as the Commission was not given notice of the proposed changes at least 30 days in advance. Also, at most, this statute alters the effective date of the Revised Tariff. It cannot be a basis for rejection, even if the Commission held such authority. The District is puzzled by the Division's sudden focus on Utah Code Ann. § 54-3-3, as neither the Division nor the Commission has applied that section to tariff filings by electric districts or distribution cooperatives in the past. Indeed, in the following completed dockets, the Division voiced no objections despite the effective date of the tariff being less than 30 days after filing of the tariff with the Commission (in dockets marked with an asterisk, the tariff was effective *prior to filing* with the Commission):

15-066-T01*
15-028-T01
14-2167-T01*
13-2508-T01
13-066-T02*
12-066-T01
12-031-T01*
12-022-T01
11-028-T01*
10-032-T01*
09-2167-T01*
09-028-T01*
08-028-T03

As the Commission is likely aware, the dockets listed above represent a significant portion of the tariff revisions filed with the Commission by electric districts and distribution cooperatives in recent history. As neither the Division nor the Commission have previously interpreted Utah Code § 54-3-3 to apply to electric districts and distribution cooperatives, the District seriously questions what is motivating the Division to not only ask the Commission to apply this statute, for what appears to be the very first time, but to urge rejection when this statute

would only at most alter the effective dates. If the Commission interprets § 54-3-3 to apply to tariff revisions by the District, it follows that the Commission should apply the 30 day requirement uniformly to all electric districts and distribution cooperatives.

B. Standby Fees

The District established its electric standby fees in 2013 and filed that tariff with the Commission in Docket 13-2508-T02. The Division reviewed that tariff as filed with the Commission and addressed the standby fees in its Action Request Response dated November 19, 2013; in that Action Request Response (**Exhibit C**), the Division recommended that the Commission acknowledge the revised tariff sheets. The District has not changed the standby fees since that time. Thus, there is no change in standby fees in the most recent Tariff filing and no basis for the Division to reopen the 2013 Tariff in this docket.

As noted in the Division Response, the District charges standby fees to inactive customers, which are those customers who do not currently receive any of the services offered by the District but to whom the District is ready, willing and able to provide such services upon request (generally defined as the existence of taps on the property, also known as connections or service laterals, for one or more of the District's services). These standby fees are based on four components: water, wastewater, garbage and electricity. Only electricity is under the authority of and regulated by the Commission.

The Standby Fees are the only way for inactive customers to pay their rightful share of the expenses incurred by the District to acquire and maintain the District's utility infrastructure—including the extra capacity needed to serve these standby customers—when service is requested.⁷ Without standby fees, the Ticaboo residents who currently receive services from the District would be forced to subsidize this additional capacity of the District. As stated above, the population of the Ticaboo area, and thus the number of customers served by the District, fluctuates greatly. For example, during the winter the District serves approximately 28 customers while in the summer that number swells to more than 50. Over a longer period of time the opening and closing of the

⁷ For Example in 2013 the District obtained a loan from the Community Impact Board to purchase two new diesel generators, which have the capacity to serve approximately 300 residential connections, even though currently there are only 48 connections.

uranium mines have created even greater fluctuations in the customer base for the District. Without the purchase and maintenance of additional capacity the District would not be able to handle these wide swings of customers and thus would not be able to provide “adequate and continuous service to . . . the public” a requirement of all utilities and a duty of the Commission to assure, see *McMullin v Public Service Comm’n*, 320 P.2d 1107, 1109 (Utah 1958) Without the Standby Fees, the District would not be able to charge fees that are “just and reasonable” as required by Utah Code Ann. § 54-3-1 as the residents who are receiving utility service from the District would be required to subsidize the additional capacity needed to address the seasonal and long term fluctuations described above.

Standby fees, both as approved by the Commission and by unregulated utilities, e.g. municipalities and water and sewer districts, are in widespread use throughout Utah as the mechanism to address the issue of inactive customers who will eventually request utility service when a particular parcel of property is developed. Few, if any of these utilities experience the magnitude of customer fluctuation of the District. Indeed, the District believes it is very clear that standby fees are necessary for it to set rates that are just and reasonable to all customers in a utility’s service area—whether those customers are actively receiving service at present or not. (See Utah Code Ann. § 54-3-1.) As such, the District respectfully submits the Division’s sudden objections to the standby fees that are unchanged from the previous tariff are ill conceived and if implemented would actually cause the District to violate its legal duty to provide just and reasonable service to all served by it.

C. Abandonment Application Fee

As part of the settlement with SITLA, and in order to lessen the burden on property owners who do not intend to occupy or develop their properties in the foreseeable future, the District implemented a policy allowing these property owners to “abandon” utility service to an undeveloped subdivision lot that is not receiving service. This abandonment essentially takes the particular lot or parcel back to its pre-development state—just as if the District had never prepared to serve that particular property. For properties where utility service has been abandoned, the owners are no longer required to pay Standby Fees and the District will not consider the abandoned lots for service. The District will not account for that property when planning for required capacity or making changes or upgrades to the District’s utility infrastructure. If and when the owner of a particular abandoned lot desires to reconnect, that lot would be treated as if it had never been prepared to receive service from the District and the lot owner would pay all applicable fees to the district (impact fees, connection fees, etc.) just as if it were a new lot. While these future fees are likely to be significant, the District believes that offering the choice between continuously paying Standby Fees and abandoning utility service (and paying connection and impact fees in the future) is a benefit to the District’s customers—particularly in light of the unique nature of Ticaboo.

The District’s abandonment policy requires that a property be vacant (e.g., not occupied, no structures existing) for at least 24 months before abandonment will be allowed. The District believes that this policy protects both the District and Ticaboo residents. This policy, for example, prevents a property owner from removing a mobile home from his lot in November, applying for abandonment, and then moving the mobile home back on his lot in May. This policy also allows for some measure of revenue stability for the District. The District recognizes that this abandonment fee may be uncommon, but the District believes it is an appropriate policy given Ticaboo’s unique situation.

4. Conclusion

As stated above, the District believes it has fully complied with the requirements imposed on it by Utah statutes and Commission rules in filing the Revised Tariff. The changes made in the revised tariff as filed with the Commission on March 20, 2015 have been carefully examined and discussed among the District’s board

members and the public had opportunities to make any comments on the changes prior to board approval. Unlike most public utilities regulated by the Commission, the District and its board members are politically accountable to the District's customers and the District is further overseen by Garfield County.

While the changes made to the tariff are in the best interests of the District and its customers, to date the only change that has actually been implemented is the reduction in the abandonment application from \$150.00 to \$75.00. As part of the settlement with SITLA, which is not a customer of the District, SITLA requested that the abandonment application fee in the existing Tariff be reduced. After the fee was reduced, SITLA's Lessee abandoned the taps to a number of properties within Ticaboo so that standby fees would not continue to accrue. Any action by the Commission requiring reversal of that reduction in the abandonment application fee would necessarily dismantle the negotiated settlement with SITLA, which would quite possibly result in SITLA bringing a lawsuit against the District and cause the District and its customers to bear significant legal expenses. Aside from SITLA, no one has paid the \$75 abandonment application fee. None of the rate changes in the recently filed Tariff have impacted any customers of the District.

The District respectfully requests that the Commission acknowledge the Revised Tariff as submitted to the Commission with an effective date of March 21, 2014.

Respectfully submitted this 14th day of May, 2015.

SMITH HARTVIGSEN, PLLC

/s/ J. Craig Smith

J. Craig Smith

Adam S. Long

Attorneys for Ticaboo Utility Improvement District

CERTIFICATE OF SERVICE

I hereby certify that on the 14th day of May, 2015, I served a true and correct copy of the foregoing **DISTRICT'S RESPONSE TO DIVISION OF PUBLIC UTILITIES REPORT AND RECOMMENDATION DATED APRIL 13, 2015 AS REQUESTED BY THE COMMISSION ON April 24, 2015** by causing the same to be delivered to the following:

Via hand delivery and email to:

Utah Public Service Commission
c/o Gary Widerburg, Commission Secretary
160 East 300 South, Fourth Floor
Salt Lake City, Utah 84111
psc@utah.gov

Via U.S. Mail to:

Utah Division of Public Utilities
160 East 300 South, Box 146751
Salt Lake City, UT 84114-6751

Via email to:

Justin Jetter
Utah Office of the Attorney General
jjetter@utah.gov

/s/ J. Craig Smith

EXHIBIT D



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HEBERT
G O V E R N O R

SPENDER J. COX
Lieutenant Governor

ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Doug Wheelwright, Technical Consultant

Date: April 13, 2015

Re: **REJECT**

Docket No. 15-2508-T01, Ticaboo Utility Improvement District Tariff Filing

RECOMMENDATION - REJECT THE REVISED TARIFF SHEETS

The Division has reviewed the revisions to the Ticaboo Utility Improvement District (District) tariff sheets, along with board meeting minutes and resolutions. The revised tariff was approved by the Ticaboo board on January 15, 2015 and submitted to the Commission on March 20, 2015 with an effective date of March 14, 2014. Based on the information provided, it appears that the revised tariff filing does not comply with the guidelines specified under Utah Code §17B-2a-406 and §54-3-3. The Utah Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) reject the tariff filing and recommends that the District reconsider the changes to the tariff, obtain board approval and resubmit a revised tariff at a future date. The Commission should require the District to refund any fees that may have been collected under the tariff changes and reexamine allowing accounts to tenants as well as property owners.

ISSUE

On March 20, 2015, the District filed revisions to its tariff sheets and rate schedules. On March 24, 2015, the Commission issued an Action Request to the Division to investigate the tariff and schedule filing. This memo is the Division response to that Action Request.

DISCUSSION

The Ticaboo Utility Improvement District provides electric service, water, waste water and solid waste management to the residents of Ticaboo, Utah and is governed by the Improvement District Act §17B-2a-406.

The District continues to face the unique and challenging requirement to provide reliable utility services to a very small customer base. There are approximately 43 individual households, 1 small commercial customer (church), and 1 large commercial customer (Ticaboo Resort) receiving electrical service from the District. Due to the remote location of the district, electric service is generated from diesel powered generators.

Utah Code §17B-2a-406 outlines the Commission's jurisdiction and requirements for Improvement Districts and reads as follows;

- (6)(a) Section 54-7-12 does not apply to rate changes of an electric improvement district if:
- (i) the district is organized for the purpose of distributing electricity to customers with the boundary of the district on a not-for-profit basis;
 - (ii) the schedule of the new rates or other change that results in new rates has been approved by the board of trustees of the district;
 - (iii) prior to the implementation of any rate increases, the district first holds a public meeting for all its customers to whom mailed notice of the meeting is sent at least 10 days prior to the meeting; and
 - (iv) the district has filed the schedule of new rates or other change with the commission.

The current filing replaces the previous tariff in its entirety due to the many changes and updates that have been made. While the KWh rates for customers have not been changed, the filing includes several changes to the terms and language used in the tariff. The revised tariff also includes a significant increase in the fee for unauthorized connections and tampering with the electrical connections and the addition of an administrative fee.

One significant non-rate change to the tariff is new language that excludes service contracts with non-owners. Only property owners or a designated landlord will be able to receive utility service. The tariff does not allow tenants (renters) to sign up for utility services. (Section 08.02) It appears that the District is trying to strengthen the language of the tariff in order to collect monthly billing charges and assess fees directly from the land owners.

The revised tariff reflects a filing date of March 18, 2015 and an effective date of **March 14, 2014**. This effective date is prior to the most recent board approval date of January 15, 2015 and one year prior to the Commission filing date. Requesting an effective date that is prior to the

acknowledgement date of the Commission and approval of the board is in violation of Utah Code §54-3-3 which requires among other things, a 30 day notice prior to any change related to the tariff. While the §54-7-12 rate making procedures may not apply to Ticaboo, the remaining requirements for rate increases are still applicable.

The Division has had discussions with Chip Shortreed, District Manager for Ticaboo who indicated that additional board meetings were held on March 21, 2014 and April 17, 2014 where some of the changes to the tariff were approved. The District has provided copies of the resolutions and the minutes for both the March and April board meetings. Changes to the tariff Definitions (Section 02.01) and Abandonment of Utility Services (Section 03.12) were approved in the March 21, 2014 meeting. Changes to the tariff for Electric Service Billings (Section 08.02) were approved in the April 17, 2014 meeting. While the tariff changes were approved by the board, the changes were not submitted to the Commission for review. The revised tariff was approved by the board on January 15, 2015 and the District manager was authorized to file the changes with the Commission.

The effective date of the tariff has been discussed the District and remains an area of disagreement. In discussions with Mr. Shortreed, the Division has indicated that the effective date should be changed from the original filing. The District has agreed to change the effective date by one week from March 14, 2014 to March 21, 2014 but did not agree that the effective date should be after the January 15, 2015 board meeting. The Division has been unable to convince the District that the effective date of the tariff change cannot be prior to the January 15, 2015 board approval date and cannot be significantly earlier than the March 20, 2015 filing date with the Commission. The requested effective date of the tariff change is prior to the public meetings, prior to the board approval date and prior to the filing with the Commission. The filing does not meet the requirements outlined in §17B-2a-406 and §54-3-3 and should be rejected.

In addition to the items of concern noted above, the following changes have been included as revisions to the tariff language.

Section 02.01 – Definitions

Thirteen new definitions were added to this section as well as expanding some of the existing definitions. The District added definitions for a new administrative fee and an application fee for abandonment of utility services. The following definitions have been added to the tariff and identified by number. The lengthy definitions have not been included in this memo but can be reviewed in the filing document.

- 2 Administrative Fee
- 6 Application Fee

- 8 Budget Billing
- 11 Connection Fee
- 13 Contiguous Developed Properties
- 20 Developed Properties
- 31 Joint Developed Properties
- 32 kWh
- 33 Landlord
- 36 Meter Test Deposit Fee
- 44 Reconnection/Disconnection Charges
- 54 Tampering/Unauthorized Reconnection Charge
- 58 Tenant

Section 03.12 – Default by Customer

Section 03.12 describes the requirements for a property owner to permanently abandon utility services. At the property owner's discretion, utility taps (service connections) may be abandoned in place or may be physically removed. Abandonment of utility services will only be allowed if the property has been continuously vacant and unused for at least 24 months and the property owner's accounts with the District are current and in good standing.

A new paragraph has been inserted to this section that addresses the unauthorized use of utility services or the development of property without the proper application and payment. The District will impose a fee for each violation and will require the property owner to remove the unauthorized tap (service connection) at the owner's expense. The specific amount of the fee is \$1,000 per day per incident and is identified under the Regulation Charges (RC) section of the tariff. Additional information concerning this fee has been included below.

This section is important to the District since Section 03.02 of the tariff states that all property owners that have taps for any utility must pay, at a minimum, the standby fees for all the district services (electric, water, wastewater, and solid waste). The minimum standby fees for all utilities total \$154 per month (\$1,848 per year) and are billed to all property owners even if the owned property is vacant land with no improvements. Abandonment of utility services will only be allowed if the property has been vacant for 24 months, payment of a \$75 application fee and all monthly standby fees have been paid in full.

Utah Admin. Code §746-200-7(I)(1) states in relevant part that “[t]he public utility shall disconnect the service within four working days of the requested disconnect date. The customer shall not be liable for the services rendered to or at the address or location after the four days, unless access to the meter has been delayed by the customer.” The requirement to continue

payment for utility services for 24 months for disconnected or non-connected utility service may be inconsistent with this rule.

Section 08.02 – Electric Service Billings

Section 08.02 concerns the guidelines for customer billing. A new section has been added to this section that identifies who will be allowed to sign up for billable service and represents a significant change from the current tariff. The new language reads as follows;

All accounts will be created and held by the Property Owner or Property Owners designated Landlord. Tenants may not create an account with the District, nor will the Tenant be held responsible for any payment of utility services on a monthly basis to the District. The Property Owner, or their designated Landlord, will be responsible for all aspects of the District’s utility services, including but limited to, service and regulation charges.

The District will allow the Property Owner, or their designated Landlord, to pass-through, or have included in the Property Owners lease/rental agreement with the Tenant the actual cost for utility services. The Property Owner, or the designated Landlord, may not mark-up or increase the cost for utilities for their benefit or profit. A Property Owner, or designated Landlord may only charge a Tenant the actual cost of utility service as billed to the Property Owner, or their designated Landlord, by the District.

The change to require the property owners to be responsible for the utility bills represents a significant change. Chip Shortreed, District Manager, indicated that the District has lost a considerable amount of revenue from renters that have “skipped out” on paying their bills. The District felt that this change was necessary in order to address the transient nature of the visitors to Ticaboo. It is unclear to the Division if this requirement represents a violation of the District’s obligation to serve the customers in the service territory. The Division is further uncertain as to whether this would prohibit service to the majority of residents. The Division is under the current understanding that most of Ticaboo’s residents are on surface leases of Utah State lands and are therefore tenants not owners. In the Division’s opinion it is unlikely that the State of Utah will agree to take responsibility for utility payment obligations.

Section RC – Regulation Charges

Section RC of the District’s tariff identifies the nonrecurring charges for various services offered by the District.

RC-2 is a schedule of the applicable charges for electric service customers and includes a Tampering/Unauthorized Reconnection charge discussed above. The previous tariff identified this fee at \$1,000 per incident. The tariff language has been changed to a fee of \$1,000 **per day** per incident. Identical changes were added to the Tampering/Unauthorized Reconnection Charges for water (RC-4), waste water and solid waste charges (RC-5). The District has experienced instances of equipment tampering related to customer meters and unauthorized connections. Due to the number of these instances, the District has substantially increased the penalty for violations.

The Division is concerned with this change to the tariff. The Ticaboo Improvement District is organized as a not-for-profit entity with a very limited customer base and this charge appears to be excessive. For comparison, the Rocky Mountain Power tariff identifies a \$75 tampering/unauthorized reconnection charge.¹ The Division feels that the \$1,000 per day per instance fee is excessive.

RC-6 includes two new fees that have been added to the tariff. A \$75 application fee has been added for Abandonment of Utility Services. The \$75 application fee is applicable to each parcel and not for each service that is connected to the property. A \$40 administrative fee has also been added and is applicable to service and special project requests.

C O N C L U S I O N

The Division has reviewed the revisions to the Ticaboo Utility Improvement District (District) tariff sheets, along with the resolutions and board meeting minutes. The revised tariff filing does not change the acknowledged rates, but does include changes to the content of the tariff and scheduled fees. Changes to the tariff were approved in a public meeting by the Ticaboo board on January 15, 2015 and submitted to the Commission on March 20, 2015 with an effective date of March 14, 2014. Based on the information provided, it appears that the revised tariff filing does not comply with the guidelines specified under Utah Code §17B-2a-406 and §54-3-3. The Division recommends that the Commission reject the tariff filing and recommends that the District make the appropriate changes to the tariff, obtain board approval, properly notify customers and resubmit a revised tariff at a future date. The Commission should require the District to refund any fees that may have been collected under the tariff changes and reexamine allowing accounts to tenants as well as property owners. The Commission should further prohibit the District from collecting utility fees on disconnected properties pursuant to Administrative Code.

¹ Rocky Mountain Power Tariff, Electric Service Schedule No. 300

CC Chip Shortreed, Ticaboo Utility Improvement District
Michele Beck, Office of Consumer Services
Marialie Martinez, DPU Customer Service

EXHIBIT E



Public Service Commission

RON ALLEN
Chairman

DAVID R. CLARK
Commissioner

THAD LeVAR
Commissioner

State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

April 24, 2015

Chip Shortreed, CEO & District Manager
Ticaboo Utility Improvement District
Highway 276, Mile Marker 27
P.O. Box 2140
Ticaboo, UT 84533

Re: Docket No. 15-2508-T01, In the Matter of Revisions to Tariff No. 1 of Ticaboo Utility Improvement District (District)

Dear Mr. Shortreed,

The Commission has reviewed the revised tariff transmitted on March 20, 2015, in Docket No. 15-2508-T01 entitled above.

The Division of Public Utilities (Division) reviewed the revised tariff and recommends the Commission reject the tariff sheets as filed. The Division states the requested effective date of the revised tariff is prior to the relevant dates of public meetings, board approval, and transmittal of revised tariff sheets to the Commission. The Division concludes the revised tariff does not meet the requirements of Utah Code Ann. § 17B-2a-406 and § 54-3-3 and recommends the Commission reject the revised tariff as filed.

The Division also recommends the District make appropriate changes to the tariff, obtain board approval, properly notify customers, and resubmit a revised tariff at a future date. The Division recommends the Commission require the District to refund any fees collected under the revised tariff. The Division recommends the District reconsider its revised requirement holding property owners responsible for all service accounts. The Division recommends the Commission prohibit the District from collecting utility fees on disconnected properties in a manner that is inconsistent with Utah Administrative Code 746-200-7(I)(1).

Based on the Division's review and recommendations, the Commission directs the District to file with the Commission within 15 days either: a) its plan for filing revised tariff sheets that are in compliance with UCA §§ 17B-2a-406, and any other applicable law or rule, or b) its explanation of how the revised tariff is lawful and its response to the Division's conclusions and recommendations on the revised tariff.

Sincerely,

/s/ Gary L. Widerburg
Commission Secretary
DW#265739