

DOCKET NO.

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

IN THE MATTER OF THE APPLICATION OF  
GARFIELD COUNTY, UTAH ON BEHALF OF THE  
TICABOO ELECTRIC IMPROVEMENT DISTRICT  
FOR A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO OPERATE AS A PUBLIC  
UTILITY RENDERING ELECTRICAL POWER  
SERVICE

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**APPLICATION**

**To the Public Service Commission of Utah, Salt Lake City, Utah.**

Applicant Name: GARFIELD COUNTY, UTAH, ON BEHALF OF THE TICABOO ELECTRIC IMPROVEMENT DISTRICT. Garfield County is currently in the process of creating the Ticaboo Electric Improvement District (the "District"). It is expected that the District will be fully created in the beginning of September, 2009, at which time the District will replace Garfield County as the only named applicant. The Certificate of Convenience and Necessity will be issued to the Ticaboo Electric Improvement District.

2. Principal office address: 55 S. Main Street, Panguitch, Utah 84759.
3. Service Area. The areas which the applicant proposes to serve are as described in the legal description below and as shown on a map attached hereto as Exhibit A.

*Legal Description*

Beginning at the northeast corner of Township 31 South, Range 15 East (this point being on the boundary of Garfield and Wayne Counties); thence running southerly along the eastern boundary of said Township and Township 32 South, Range 15 East to the Southeast corner of Township 32 South, Range 15 East; thence westerly along the southern boundary of said Township 32 South and Sections 34, 35 & 36, T32S, R14E; thence northerly along the western boundary of Sections 3, 10, 15, 22, 27 & 34, T32S, R14E to the northwest corner of said Section 3; thence westerly along the southern boundary of Sections 31, 32 & 33, T31S, R14E to the southwest corner of said Section 31; thence southerly along the eastern boundary of Sections 1, 12, 13 & 24, T32S, R13E to the southeast corner of said Section 24; thence westerly along the southern boundary of said Section 24 to the southwest corner of said Section 24; thence southerly along the eastern boundary of Sections 26 & 35, T32S, R13E to the southeast corner of said Section 35; thence westerly along the southern boundary of Sections 34 & 35, T32S, R13E to the southwest corner

of said Section 34; thence southerly along the eastern boundary of Sections 4, 9, 16, 21, 28 & 33, T33S, R13E and Sections 4, 9, T34S, R13E to the southeast corner of said Section 9; thence westerly along the southern boundary of Sections 7, 8 & 9, T34S, R13E to the southwest corner of said Section 7; thence southerly along the eastern boundary of Sections 13, 24, 25 & 36, T34S, R12E and Sections 1, 12, 13 & 24, T35S, R12E to the southeast corner of said Section 24; thence westerly along the southern boundary of Sections 23 & 24, T35S, R12E to the southwest corner of said Section 23; thence southerly along the eastern boundary of Sections 27 & 34, T35S, R12E to the southeast corner of said Section 34, thence westerly along southern boundary of said Section 34 to the southwest corner of the section; thence southerly along the eastern boundary of Sections 28 & 33, T35<sup>1/2</sup>S, R12E to the southeast corner of said Section 33; thence westerly along the southern boundary of Sections 31, 32 & 33, T35<sup>1/2</sup>S, R12E to the southwest corner of said Section 31; thence southerly along the eastern boundary of Section 13, 24, 25 & 36, T36S, R11E and Section 1, T37S, R11E to the southeast corner of said Section 1; thence westerly along the southern boundary of said Section 1 to the southwest corner of the section; thence southerly along the eastern boundary of Section 11, T37S, R11E to the southeast corner of said Section 11; thence westerly along the southern boundary of Sections 10 & 11, T37S, R11E to the southwest corner of said Section 10; thence southerly along the eastern boundary of Sections 16, 21, 28 & 33, T37S, R11E to the southeast corner of said Section 33; thence westerly along the southern boundary of Sections 32 & 33, T37S, R11E (this boundary also being the boundary of Garfield and Kane Counties) to the southwest corner of said Section 32; thence northerly along the western boundary of Sections 29 & 32, T37S, R11E to the northwest corner of said Section 29; thence westerly along the southern boundary of Section 19, T37S, R11E to the southwest corner of said Section 19; thence northerly along the western boundary of Sections 6, 7, 18 & 19, T37S, R11E to the northwest corner of said Section 6; thence westerly along the southern boundary of Sections 34, 35 & 36, T36S, R10E to the southwest corner of said Section 34; thence southerly along the eastern boundary of Sections 4 & 9, T37S, R10E to the southeast corner of said Section 9; thence westerly along the southern boundary of Sections 7, 8 & 9, T37S, R10E to the southwest corner of said Section 7; thence northerly along the western boundary of Sections 6 & 7, T37S, R10E to the northwest corner of said Section 6; thence westerly along the southern boundary of Section 36, T36S, R9E to the southwest corner of said Section 36; thence northerly along the western boundary of Sections 25 & 36, T36S, R9E to the northwest corner of said Section 25; thence westerly along the southern boundary of Section 23, T36S, R9E to the southwest corner of said Section 23; thence northerly along the western boundary of Sections 14 & 23, T36S, R9E to the northwest corner of said Section 14; thence westerly along the northern boundary of Section 15, T36S, R9E to the northwest corner of said Section 15; thence northerly along the western boundary of Sections 3 & 10, T36S, R9E to the northwest corner of said Section 3; thence westerly along the southern boundary of Section 33, T35S, R9E to the southwest corner of said Section 33; thence northerly along the western boundary of Section 28 & 33, T35S, R9E to the northwest corner of said Section 28; thence westerly along the southern boundary of Section 20, T35S, R9E to the southwest corner of said Section 20; thence northerly along the western boundary of Sections 5, 8, 17 & 20, T35S, R9E and Section 32, T34S, R9E to the northwest corner of said Section 32; thence westerly along the southern boundary of Section 30, T34S, R9E to the southwest corner of said Section 30; thence northerly along the western boundary of Sections 6, 7, 18, 19 & 30, T34S, R9E and Sections 6, 7, 18, 19 & 30, T33S, R9E and

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Sections 6,7,18, 19 & 30, T32S, R9E and Sections 6,7,18, 19 & 30, T31S, R9E to the northwest corner of Section 6, T31S, R9E; thence easterly along the boundary line of Garfield and Wayne Counties to the point of beginning.

*Map*

(See Exhibit A attached hereto)

4. Applicant Legal Status. The District will be officially organized under the laws of Utah by early September, 2009. A provisional copy of Rules and Regulations and a Line Extension Policy are attached hereto as Exhibits B and C respectively. We will supplement this application with a certificate of incorporation issued by the Lieutenant Governor in September, 2009. The provisional Rules and Regulations will be replaced with officially adopted Rules and Regulations as soon as possible after the District is fully created and organized in September, 2009. An outline of the District creation process, including steps that have already been completed and steps that will be completed, is attached hereto as Exhibit D.
5. Service which applicant proposes to render: Residential. and Commercial Electrical power to approximately 140 connections within the service area, with the possibility of expanding to additional connections as growth within the District boundaries requires.
6. Legal Compliance. Applicant is in compliance with and agrees to comply with all regulations and requirements of all state and local government agencies. Copies of any required permits and approvals are and will be made a part of this application. Applicant will be receiving through its electrical distribution system electric power from a Commission approved supplier or has attached to this application proof of sufficient electrical power generation and distribution facilities.

See Exhibits D (Outline for District Creation) and E (Description of Existing Facilities).

7. Commencement of Service. The District seeks to commence service upon approval from the Public Service Commission through the issuance of a Certificate of Convenience and Necessity (*see* Utah Code Ann. § 17B-2-406(3)(b)(i)(C)).
8. Other Electric Companies Surrounding the District. The names of any electric companies that are providing (or proposing to provide) similar service near or in any part of the area covered by this applicant are as follows: No provider has power lines within 40 miles of the District boundaries (*see* Utah Code Ann. § 17B-2a-406(3)). Rocky Mountain Power and the Garkane Cooperative have service more than 40 miles away. As required by Section 17B-2-406(3) of the Utah Code, the District has verified that its boundaries do

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not overlap with either Garkane or Rocky Mountain Power's certificated service areas. Correspondence with Garkane verifying that the proposed District's boundaries do not overlap is attached hereto as Exhibit F.

9. Proposed Rate Schedule. Applicant's proposed rate schedule is attached hereto as Exhibit G. The proposed rate schedule is based on the current price of diesel and is subject to amendment as provided by the Rules and Regulations. The proposed rate schedule is based on the financial information provided by Uranium One Ticaboo, Inc. based on their operation and Aramark's operation of the existing system from July, 2006 until the present time (Aramark operated the system from July 2006 through February 2009, and Uranium One Ticaboo, Inc. has operated the system since February 2009). The applicant anticipates offering lower rates as soon as a more cost-effective method for providing power has been arranged and constructed.
10. District Organization and Management. It is anticipated that the District will be governed by a Board of three Trustees. The Trustee positions will be filled with officials who are appointed by the Garfield County Commission. As required by UCA § 17B-1-302(1), each Trustee will be a registered voter residing within the District boundaries. The day-to-day operations of the District will be managed by a District Manager who will be appointed by the Board of Trustees.
11. Initial Funding. The District is being created by Garfield County, Utah. It is anticipated that Garfield County will subsidize the District as the District is first organized and begins operations. Garfield County may provide the subsidy in the manner it sees best fit, including such possibilities as sharing tax revenues under the Utah Interlocal Cooperation Act, or through a loan, or by securing and guaranteeing alternative financing arranged by the District. After the District is initially funded, the District will operate on the revenues generated by the provision of electric services.
12. Statement of Convenience and Necessity. The District will provide a significant benefit to the Ticaboo community and surrounding area, including, potentially, the Bullfrog Marina located within Glen Canyon National Recreation Area.

Ticaboo is an unincorporated community in eastern Garfield County with approximately 125 residents. Two uranium mines and a uranium mill are located near Ticaboo. An increase in mining and milling of uranium could cause rapid growth in the future, though such growth is not planned or expected any time in the foreseeable future.

The current electrical system for the Ticaboo area is comprised of three diesel generators, only two of which are currently functioning and operational. The diesel generators are owned primarily by Uranium One, with Denison Mines holding an ownership interest in the generators as well. Neither of those mining companies desires to, nor should, continue providing electrical services to the residents or businesses in

the Ticaboo area.

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It is anticipated that the Ticaboo Electric Improvement District will assume ownership, management and control of the diesel generators. This transfer of ownership and operational control will occur immediately after the district is officially formed in September, 2009. It is further anticipated that the district will work toward replacing the diesel generators as practicable with a renewable energy power source or some other power source that is more cost-effective and environmentally friendly than diesel generators.

In 2008, Garfield County provided a Request for Proposals to all potential electric service providers within reach of the Ticaboo area. The only response that Garfield County received was from Rocky Mountain Power, though the proposal was completely infeasible as it involved a proposed line extension that would cost over \$65 million.

Based on the inability of existing electric service providers in the region to extend service into and economically serve the Ticaboo area, Garfield County has now determined that the only reasonable method for providing power services to its residents within the Ticaboo area is via the Ticaboo Electric Improvement District. The district will provide an opportunity for public control over the current electrical system, as well as the potential for public financing to fund a new energy source to provide more cost-effective service to the Ticaboo area. The current electric system of diesel generators is not cost-effective, is too dependent on the volatile price of diesel and has air quality concerns. While the District has not yet entered into a contract to provide an alternative source of electric power, the District has looked into the possibility of clean and renewable energy, such as solar power with a propane backup generator. The District will continue looking into alternative possibilities until the best power method is found.

In short, the Ticaboo community needs the District. The Ticaboo residents need some public control over their electric service, and they need the power of public finance to adequately explore more cost-effective methods of providing electric service. The District is both convenient and necessary for the Ticaboo community.

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**WHEREFORE, the applicant requests that the Commission grant a certificate of convenience and necessity to provide electric services within the Ticaboo Electric Improvement District boundaries.**

Dated this July<sup>2</sup> 7 , 2009.

\_\_\_\_\_  
J. Craig Smith  
Kyle Fielding  
Smith Hartvigsen, PLLC  
215 South Street, Suite 650  
Salt Lake City, Utah 84111  
*Attorneys on behalf of Garfield County and the  
Ticaboo Electric Improvement District*

Subscribed and sworn to before me this 27 day of \_\_\_\_\_, 2009.

(A \$100.00 filing fee must accompany this application) r

<sup>\* o</sup> *Ne* **Notary Public**  
**MELISSA THOMPSON**  
\$ Commission 6577042 My Commission Expires December 29, 2012

## Exhibit List

Exhibit A	Map
Exhibit B	Provisional Copy of Rules and Regulations
Exhibit C	Line Extension Policy
Exhibit D	Outline For District Creation
Exhibit E	Description of Existing Facilities
Exhibit F	- Garkane Correspondence
Exhibit G	Rate Schedule