

Informal Complaint Report

Index Number: 3228 **Company Name:** Ticaboo Electric Service District

CUSTOMER INFORMATION

Customer Name: Uranium 1 **Account Number:**
Other Contact Info: Norman Schwab **Phone Number:** (303) 325-2379
Customer Address: 8055 E Tufts Ave **Other Phone:**
Customer Address: **Email Address:**
City: Denver **State:** UT **Zip Code:** 80237

COMPLAINT INFORMATION

Type of Call: Complaint **Complaint Type:** Billing Problems
Date Received: 6/14/2010 **Date Resolved:** 6/15/2010
Complaint Received By: Connie Hendricks **DPU Analyst Assigned:**

Utility Company Analyst:

Company at Fault: **Actual Slamming Case:** **Actual Cramming Case:**

Complaint Description:

Uranium 1 is disputing the new rates established by Ticaboo Electric Service District. Mr. Schwab provided the following information:

Uranium 1 has been running the town of Ticaboo for two and a half years. They own the commercial properties and have the ability to expand the town. They have been subsidizing the town. They were told the middle of last year they were not allowed to provide power to the town, a special district needed to be set up to do that. Uranium 1 thought it was going to go well ,but since January when the special district started, things are not going as planned.

Mr. Schwab stated that Ticaboo Electric Service District has set up a new set of rates without following the rules they set up. He said these new rates would make them pay ten times what they had been paying in the past. He said that they are paying the uncontested part of the bill which is the same amount as the old rate. They are not paying the amount equal to the new rates. He said the old rates are what they understand and believe should be paid. He said the new rates aren't in agreement with what they agreed to.

He said that the power was shut off two weeks ago without any given notice. He said their rules state a 10 day notice and an explanation of the problem. This was the power to the lodge that accomodates tourists. He says they are a mining compnay but they look after the tourists on the side.

He says they have now received another shut off notice for Wednesday.

Mr. Schwab says they have had 2 conference calls with Ticaboo Electric Service District that he thought was going well, but when they get done with the calls, everything goes back to the way it was. He also mentioned that at one point Ticaboo Electric Service District agreed they needed to change the rates.

He wants proper rates established that make sense and Uranium 1 wants to be part of deciding the rates. He said that Uranium 1 could have increased the rates before, but they didn't.

He says that Uranium 1 is being extorted through power threats.He said that Uranium 1 surrendered their ability to supply power and are now held hostage. He stated that the way to resolve this is to put someone else in charge. He also said that they handed over equipment worth one million dollars for free and got nothing in return.

Complaint Response:

6/15/10
Norman,

Attached is the response to your complaint with the PSC and supporting documentation.

Informal Complaint Report

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Chuck Birrenbach | District Manager
Ticaboo Special Service District
PO Box 2111
Ticaboo, Utah 84533
Phone: 435.788.2115
birrenbach@gmail.com

6/15/2010 □□□□□□
Norman Schwab
Uranium 1

In response to the complaint filed with PSC

On May 31st after the meters were read I noticed that U1 had turned on a meter without authorization that you requested in writing to be shutoff in Feb 2010. There was no communication from U1 to the district regarding reinstating service. I could have shut your service off at that time. That is illegal and criminal and will not be tolerated. I contacted the county attorney the following morning regarding this unauthorized illegal use. He stated U1 had set up a conference call with the county commissioners, county attorney and planner that day and to wait for his call. U1 never made it to the call.

Commissioner Dodd and the attorney tried repeatedly to get in touch with you regarding the illegal use of electric services and your refusal to pay for April and May services. By Thursday they could not get in touch with you and advised to shut off their services, which we did. The county attorney then reported it to the Garfield County Sheriff. At the end of May you sent a check for \$1,459.64 which you put a restrictive endorsement as Full Payment of the April invoice (ck #7599 dated 05/21/2010) at that time your balance was \$20,643.24. This check was extremely unreasonable and was returned to you.

On Friday June 4th 2010 I set up a conference call with you and the board of trustees. At that conference you agreed to expedite a check for "something" until the issue of the new rates is resolved. We agreed to turn the power back on that time taking your word that we would have a check within a day or so, the power was on within 15 minutes of the end of our call. We kept our word. You did not expedite a check for any amount. At the June 10th 2010 public meeting the community wanted the board of trustees to take a stand and put a deadline on your payment since nothing had been received. The board passed a motion that you had until Wednesday at noon to have a check to us for at least partial payment. Friday, after I checked the mail, still nothing from U1. I contacted John McKay and explained the deadline to him. He stated that you would not even process the check until Friday the 18th of June and for quite a bit less than the amount owed. Kay Randall the Chairman of the district contacted John McKay regarding this also by phone on Friday. He was told that U1 would not pay the amounts owed and reminded him that his house and business were leased from U1. This type of manipulation is going too far and you should be ashamed of yourselves for attempting to get the Chairman to agree to something other than what the board agreed to in a public meeting, by holding his private business leases over his head like that.

You have disputed every bill you received since January including bills at the "old rates" you have disputed all but one of your meters (one was brand new purchased by U1) and have cost the district \$2,270 dollars in new meters and certification expenses plus my time. All the meters were certified to be within the legal range by professionals at Garkane Energy in Loa, UT. You have a copy of all certifications. In a conference call after that with Denison Mines present John McKay stated he "will not accept these certifications and this isn't over". In February 2010 you turned off 3 of your 5 meters, using no electricity at all. This was a big set back financially for the district. We set the new rates structure in a regularly scheduled meeting and because it was an emergency and unforeseen circumstance we are not required to notify anyone. You withheld your January payment until April 6th 2010 which caused the district to borrow money to supply power to its customers and that required an emergency rate change. These rates have been approved and filed properly and legally with the PSC. They are the rates you need to pay. We have tried over and over again to work with you and you seem to be unwilling to work with the district and pay your bills in full and on time. I am enclosing a copy of your April and May billing statements for your immediate payment. You state that U1 should have raised the rates before the transfer to the district. I might remind you that part of the agreement was the commercial rates be lowered. U1 was charging \$.38 per kwh to commercial users and made it a condition of the transfer, since you were now going to pay commercial rates that it would be \$.26 per kwh. How is that being part of the community/system? We have volunteers in this town that do all the work to keep this district viable, not one of them is your employee. We have and will always run the system legal and proper. We have other commercial users as customers which pay the same rate as U1, and actually pay on time without complaint. The people in this community pay and have paid extremely high rates for power without a complaint. All we ask of you is to do the same. You own several commercial properties, one of them is a 70 unit motel and it is not equal to a single family residence, RV or single wide mobile home and never will be, so how can you believe the rates should be the same. You did not hand over a one million dollar system Norman. The value of a 30 year old dilapidated system was pretty much a liability for the district. The only value came from one generator (1750) which you took out of the system along with the only service truck, backhoe and all the other equipment necessary to operate the system. You left the fuel tanks out of code, environmental problems, and a mess at the generator station. Your employees continue to do everything possible to find ways to take more out of this town. The other day they took an entire 40 ft storage container full of electrical parts and supplies out of town to your mill. This container has been here over 20 years and is full of spare parts for the town, not the mill. What do you need with a sewer machine, plumbing and electrical parts at a mill that will never operate? You and your company don't take care of your own responsibilities in this town and never have.

Your complaint is completely unwarranted and you should be ashamed of yourself for letting "your town" get to such a complete wreck. I would be embarrassed to own property in such disrepair. Where is your pride? After two years of requests by the county to replace the roof that was blown off in late 2007, your firehouse was repaired by volunteers, not one was your employee. You refuse to take care of the parks and the sidewalks are buckling. Expand the town? You won't even water the trees or mow the weeds. Taking care of tourists? You haven't opened the gas station, restaurant, c-store or bar for over two years and the lodge has been run into the ground by your employees. The water has been shut off of those properties since July of 2008 and the power since Feb 2010. The lodge has been closed since Oct. of 09 except when you illegally opened it for a couple weeks in Feb of this year. There was cow dung all over the parking lot and lawn all winter until just before memorial weekend. The trees are dying, branches falling on the parking lot, where are your people to take care of this? You have no intention of expanding the town, or being part of this community, you've been trying to sell out

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for almost two years now. Please pay your bill in a timely manner so that we may move forward. At this time you have balance owed of \$27,346.35 for electric service.

Payments received - \$ 1,198.00 2/10/2010

\$16,977.43 4/06/2010

\$ 6,976.01 5/04/2010

\$ 1,459.64 5/21/2010 with restricted endorsement (sent back to U1)

Statements are attached to this email.

Sincerely,

Chuck Birrenbach | District Manager
Ticaboo Electric Improvement District

Additional Information:

6/15/10 Enclosures in email.

6/15/10

Norman,

In reviewing all information provided by both parties we did not find Ticaboo Electric Service District to be in violation of their tariff or Public Service Commission statutes or rules.

Therefore, we are closing the complaint. If you have any questions please contact me by email or phone.

Connie

6/15/10 I received a call from Wells Parker, attorney for Uranium 1. He stated that they were in the process of preparing a response to the complaint response they had received from Ticaboo Electric Service District. I explained the next step would either be mediation, or a formal complaint with the PSC. I sent the formal complaint information and forms to Norman Schwab at Mr. Parker's request.

