



October 24, 2012

Mr. Marlin Barrow
Utility Technical Consultant
Utah Division of Utilities
Heber M Wells Building 4th Floor
160 East 300 South
PO Box 146751
Salt Lake City, UT 84114-6751

Re: Zion View Estates Territory Application

Dear Mr. Barrow:

In reference to your request in outlining the financial aspects of Garkane's territory acquisition application. Let me describe the subdivision and some pertinent facts as we project them to be.

There are 758 total lots within the platted subdivision. There are 440 different lot owners. These subdivisions were originally created in the late 60s and early 70s. According to the tax rolls there are 220 'taxable structures' within the subdivision. KCWCD (Kane County Water Conservancy District) is paying to have the power extended from our existing facilities in Strawberry to a 60hp pump and 3 Pressure Reducing Valves. Each individual lot owner would be responsible for any line extension cost from the facilities KCWCD will be installing to their individual lots. We have had 70 property owners request cost estimates to extend power to their property. Based upon cost and distances involved I suspect only about 10 of those 70 will actually have the line extensions constructed. There are presently no electrical facilities within the subdivision. The loads will be seasonal. The loads will be residential with the exception of the KCWCD well. We expect in 20+ years full development of the Subdivision. We estimate from the 3 PRV valves to be a minimum bill. The well will probably use about 2000 kWh per month. The 10 homes will probably average less than 300 kWh per month. Estimated revenue calculation is about \$.07 per kWh. $5000 \times .07 = \$350$ per month revenue. The KCWCD project will involve 45,400 feet of new construction. 28,000 feet will be 3 phase 35kV URD and 17,400 feet of single phase 15 kV URD. The estimated cost to construct the primary line is \$2.4 million.

The KCWCD has been billed one-half of the costs, and will be billed the remainder of the cost as construction proceeds next Spring and Summer. Garkane will experience no out-of-pocket costs.

Enclosed is Garkane's current financial statement for your review.

Should you have any questions, please contact me.

Thank you.

Respectfully,

GARKANE ENERGY COOPERATIVE, INC.

A handwritten signature in black ink, appearing to read "Carl R. Albrecht". The signature is written in a cursive style with a large initial "C".

Carl R. Albrecht
CEO

Enclosure

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