

debt service and that annual savings on diesel fuel alone as a result of the new equipment will be greater than the annual debt service. The letter from the CIB detailing the terms of the bonds is attached to this Application as Exhibit A.

3. The purchase of new power generation equipment is in the interest of the electric ratepayers and is necessary to provide electric service at reasonable rates for the ratepayers. The District is too remote to allow connection to an existing electricity source. Ticaboo is located 55 miles from the closest Garkane connection and 127 miles from the closest Rocky Mountain Power connection. Estimates for connection of Ticaboo to either of these sources range from \$46 million to \$68 million and such a project would also likely present permitting problems. As a result, the District will continue to provide power to Ticaboo residents through diesel generation. The current power generation equipment was donated by mining companies that had previously sold electricity to Ticaboo residents. The current generators are functional, but highly inefficient and fail to meet current air quality standards. New generators will lead to an estimated fuel savings of approximately \$100,000 annually, far greater than the annual debt service of approximately \$35,000 on the \$600,000 bond. The District's presentation to the CIB detailing the need for such improvements and the predicted benefits is attached as Exhibit B to this Application.

4. Prior to issuance of the bonds, the Board of Trustees of the District will adopt a resolution to issue the bonds described in this application at a duly noticed and authorized meeting.

5. Audited financial statements and the independent auditor's report of its audit of the District for the year ended December 31, 2012 are attached as Exhibit C to this Application.

6. The District requests Informal Adjudication of the Application under R746-110 of the Rules of the Public Service Commission as it is not anticipated that the Application will be opposed or contested.

7. The District requests expedited consideration of the Application in order to obtain the funding from the CIB as soon as reasonably possible, to allow the District to comply with all CIB bond requirements within the specified timeframe, and to provide the benefits of the project as quickly as possible to the District's electric customers.

8. The District, based upon the foregoing statement, requests waiver of the 20-day tentative period under R746-110-2 and, if necessary, waiver of the 30-day period under R746-401-3.

Respectfully submitted this ____ day of _____, 2013.

SMITH HARTVIGSEN, PLLC

J. Craig Smith
Attorney for Ticaboo Utility Improvement District

CERTIFICATE OF SERVICE

I hereby certify that on the _____ day of _____, 2013, I served a true and correct copy of the foregoing **Application of Ticaboo Utility Improvement District for Authority to Issue Securities and Enter into Contracts** 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
