



RED MESA CHAPTER
Red Mesa, Navajo Nation, Utah



Resolution# RMC- 01-012516

**RESOLUTION
TO
UTAH STATE PUBLIC SERVICE COMMISSION**

REQUESTING THE UTAH STATE PUBLIC SERVICE COMMISSION TO DISAPPROVE THE PROCEEDING OF PROPOSED ELECTRIFICATION TRANSFER PROJECT BETWEEN ROCKY MOUNTIAN POWER COMPANY AND NAVAJO TRIBAL UTILITY AUTHORITY THAT IS IMPACTING THE UTAH PORTION OF THE NAVAJO NATION COMMUNITIES.

WHEREAS:

1. Pursuant to 26 N.N.C. §3(A), the Red Mesa Chapter is a certified chapter of the Navajo Nation Government as listed and under 11 N.N.C. Part 1, 10; and
2. Pursuant to 26 N.N.C. §1(B), the Red Mesa Chapter is delegated the governmental authority to make decisions over local matters consistent with Navajo Law, custom, and tradition and under 11 N.N.C., Part 1, §10, the Red Mesa Chapter is also delegated the authority to make local decisions in the best interests and welfare of the community members through providing recommendations to the Navajo Nation and other agencies for appropriate actions; and
3. The Rocky Mountain Power Company, RMPC, is currently providing the main electrical power source to the northern portion of Red Mesa Chapter community to approximately 220 residents including few of Oil and Gas companies such as Resolute Energy Corporation, U.S. Oil & Gas Company, Subcontractors and others to name a few; and
4. The residential customers that are under Rocky Mountain Power Company, RMPC, have expressed their concerns and issue of this electrical power source to be transferred over Navajo Tribal Utility Authority, NTUA, of the Navajo Nation without the approval of Red Mesa Chapter and the RMPC customers that will greatly impacted; and
5. The Red Mesa Chapter have never took a position nor an approval of this initiative because the people of this community requested for a public hearing to listen to both sides of utility companies proposals and that never occurred; and
6. For the past 50 years, the RMPC, with its predecessors, have provided the main trunk and service electrical lines to many residents north of Red Mesa community and to other customers in good faith through the establishment of excellent customer services, immediate electrical service line repairmen and providing affordable utility cost at a comfort zone; and
7. The Rocky Mountain Power Company, RMPC, has electrical generating capacity with assurance of reliable services in the future and they are subject to regulation by the Utah State Public Service Commission, ensuring that rates for electrical service will not be arbitrarily raised and that any concerns about reliability will be promptly and effectively addressed; and
8. The Navajo Tribal Utility Authority, NTUA, is a utility company owned by the Navajo Nation with no generating capacity and its record for services and reliability is far inferior to that of the RMPC; and
9. The NTUA's pricing, services and reliability are not subject to any effective and efficient oversight or any independent public utility commission with special expertise in these areas; and
10. The NTUA's pricing for electricity are not being regulated effectively by any expert independent review board are substantially higher than RMPC's prices; and
11. The NTUA has also threatened the main Oil & Gas Companies in the Red Mesa Chapter community with unreasonable and substantially higher electrical rates if NTUA is allowed to assume control of the

provision of electrical service from RMPC. That would jeopardize and endanger a major source of scarce jobs and contracting businesses for Red Mesa community members where overall unemployment rate in the Navajo Nation is approximately 50%; and

12. The RMPC and NTUA have entered an agreement that would have the effect of permitting the NTUA to take over the electrical infrastructure from RMPC, assume operational control and set new prices without any oversight regulatory commission that would set standards to meet the need the financial capacity of low income families; and
13. The "Agreement" would, at best, cause uncertainty on the existing contractual relationship between the RMPC and its principle customers in the Red Mesa community, Resolute Energy Corporation and Navajo Nation Oil & Gas Company. Its control of all Oil and Gas Companies productions and transportation in the region would most likely result in costly and unnecessary litigation in the event if the set forth "Agreement" is approved by the Utah State Public Service Commission; and
14. The Red Mesa Chapter has determined that it respectfully requests Utah State Public Service Commission to disapproved the : "Agreement", including through the Chapter intervention in the proceedings to be conducted by the Utah State Public Service Commission; and including any appeals that may result from the decision ultimately rendered by the Utah State Public Service Commission.

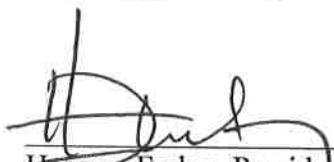
NOW THEREFORE BE IT RESOLVED THAT:

1. The Red Mesa Chapter of the Navajo Nation hereby approves in respectfully requesting the Utah State Public Commission to disapprove the proceeding of proposed electrification project transfer from Rocky Mountain Power Company to Navajo Tribal Utility Authority that is impacting the Utah portion of the Navajo Nation, now pending in its Docket No. 15-035-84; and
2. The Red Mesa Chapter will take any reasonable and appropriate steps to obtain the disapproval of an "Agreement" by the Utah State Public Service Commission, including through intervention in the proceedings now pending before that body and by the participating in or taking as appropriate, any appeal from a final or any significant preliminary decision rendered by the Utah State Public Service Commission.

We hereby certify that the foregoing resolution was duly considered by the Red Mesa Chapter of the Northern Navajo Agency at a duly called meeting in Red Mesa, Navajo Nation, Utah, at which a quorum was present that same passes by a vote of 40 in favor, 0 opposed, and 4 abstained on this 25th day of January, 2016.

Motioned by: Jim Benally

Seconded by: Sam Dee



Herman Farley, President
Red Mesa Chapter, The Navajo Nation