



Ticaboo Utility Improvement District

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Ticaboo, UT 84533

435-337-2021

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November 22, 2023

Via e-mail

Utah Public Service Commission

Heber M. Wells Building

160 E 300 South

Salt Lake City, UT 84114

Email: psc@uah.gov

RE: ADDENDUM to Tarriff No. 1 for the Ticaboo Utility Improvement District ("TUID").

Commission,

Since our last rate change submission in 2017, TUID has gone through quite a few changes. In December of 2022 the district manager moved on to different opportunities and two board members resigned their seats on the board. In January Garfield County appointed Amy Golden and Alexa Wilson to join Michael Morlang, who had been serving a year on the board at that time.

The first task of the board was to arrange for the day-to-day management of the district, which culminated in a management contract with North Lake Powell (NLP), starting in April 2023. NLP is the company that runs the hotel and ancillary businesses in Ticaboo. This arrangement allowed NLP to attract an experienced director of energy resources and for TUID to piggyback on NLP recruitment effort for employees with different levels of expertise and pay, while reducing overall management costs.

Since April NLP has work with CAT technicians to perform deferred maintenance on TUID's generators, upgraded the property maintenance standards, created a simplified budget format that clearly communicates TUID's financial position, established a TUID office, upgraded TUID's record keeping, cleared up the faulty title on a TUID owned mobile home, assisted in the sale of

surplus assets, procured a needed small generator to replace the non-functional one and reduced overall management costs.

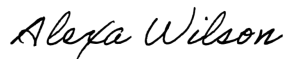
Nevertheless, we find that after all cost cutting measures and streamlining of operations, we cannot run the generators with diesel fuel prices above \$3/gallon and maintain a balanced budget. **Therefore, we propose a fuel cost surcharge on each kWh sold by TUID for each month that the fuel price is above \$3/gallon.** For each \$1 the fuel price is above the \$3 mark we propose a surcharge of 14 cents for each kWh used that month. It takes approximately 1 gallon of diesel fuel to produce 7 kWh, so 14 cents extra for each kWh recoups the additional \$1 per gallon, thus re-establishing a balanced budget.

It is worth noting that this balanced budget does not allow for the significantly past-due rebuilding of two of TUID's main generators. We are pursuing grant opportunities to cover that.

Enclosed with this letter you will find a proposed addendum to Rate Schedules 1 through 10 for power delivered by the TUID. The TUID board will discuss this in its meeting on November 29, 2023, followed by a public hearing and possible formal adoption of the new surcharge on December 13, 2023. We are requesting your review in parallel with this process and hope you can acknowledge the new tariff sheets, conditioned upon notification to the commission of formal board approval in December.

You can get in touch with me for more information at 801-538-5177 or with John Motley, the district manager at 435-299-5208

Sincerely,

A handwritten signature in cursive script that reads "Alexa Wilson".

Alexa Wilson
Board of Trustees TUID



Ticaboo Utility Improvement District
Ticaboo, UT

ADDENDUM to Rate SCHEDULE No. 1 through No. 10: **Fuel price surcharge on all services**

1. Effective January 1, 2024, the rates for power delivered within the TUID service area are determined as follows. The monthly bill in each month is determined as the sum of:
 - a. The rates described in rate schedules No. 1 through 10, PSC Utah No. 1 dated June 1, 2017 (the "Rate Schedule"), as applicable **plus**,
 - b. A **fuel surcharge per kWh** used in each month (the "Surcharge"), defined below, if the diesel fuel purchased by TUID costs more than \$3.00 per gallon.
2. At the end of each month (the "Billing Month") the fuel surcharge is determined as follows:
 - a. Determine the per gallon price in US\$ of the last delivery, before the 20th of the Billing Month of diesel fuel to the Ticaboo tank farm (the "Fuel Price").
 - b. If the Fuel Price is \$3.00 per gallon or less, the Surcharge is \$0.00.
 - c. If the Fuel Price is higher than \$3.00 the Surcharge is calculated as follows:
 $((\text{Fuel Price}) - \$3.00) \times 0.14$
3. The Surcharge is added to the Monthly Bill based on the number of kWh used in that month and is payable on the same terms as the monthly bill.
4. The Rate Schedule remains in full force and effect.