



SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Doug Wheelwright, Utility Technical Consultant Supervisor
Jeff Einfeldt, Utility Technical Consultant
Annette Orton, Utility Analyst

Date: March 5, 2024

Re: **Docket No. 24-2508-T01**, Ticaboo Utility Improvement District Proposed Tariff Revision for Schedule No. 1 Residential Service.

Recommendation (Acknowledge)

The Division of Public Utilities (“Division”) recommends the Public Service Commission of Utah (“Commission”) acknowledge Ticaboo Utility Improvement District’s (“TUID” or “Ticaboo”) proposed revisions to Tariff Schedule No. 1 (“Tariff”). The requested effective date for this filing is April 1, 2024.

Issue

On February 20, 2024, Ticaboo filed revisions to Tariff No. 1 to add a fuel surcharge when diesel prices exceed \$3 per gallon. The Commission issued an Action Request on February 20, 2024, requesting the Division investigate the proposed tariff and report its findings and recommendations to the Commission by March 5, 2024. This memorandum represents the Division’s response to the Commission’s Action Request.

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

Discussion

Ticaboo is an isolated community that is not connected to any outside power source. All the electricity for the community is provided from solar generation or from diesel powered generators. TUID has determined that it is unable to maintain a balanced budget when the cost of fuel exceeds \$3 per gallon. As a result, TUID is proposing a fuel surcharge on each kWh when diesel purchases are above \$3/gallon.

The TUID board discussed the fuel surcharge in three separate meetings prior to the filing in February. TUID held a public hearing on February 7, 2024, and formal adoption of the new surcharge occurred on February 15, 2024. Notice of the public meeting was mailed out with the December 2023 and January 2024 billing to all customers. All customers were notified of the proposed tariff in their December, January, and February invoices as a billing message. In compliance with Utah Code 17B-2a-406 a public meeting was held, and notice was given 10 days prior to the meeting.

In addition, all customers with an email address on file received an email notice of the rate changes in November and February. The notice of the proposed change was also published on the TUID website (www.ticabooid.com). The audio of the meetings was posted on the Utah Public Notice site and videos of the meetings are available on the TUID YouTube channel (<http://www.youtube.com/@TUID-TV>). Notices of the proposed tariff and the public hearings were posted in the TUID office in Ticaboo and by the mailboxes in Ticaboo. TUID has complied with the timely notification of its members.

The proposed tariff was filed with the Commission and accessible to the public at least 30 days before going into effect. TUID filed the proposed tariff change with the Commission on February 20, 2024, more than 30 days prior to the desired effective date of April 1, 2024, in accordance with Utah Code 54-3-3. Weekly notices were published in the editions of local newspapers throughout Ticaboo's service territory. A notice of Public Hearing on the fuel surcharge was published in the Garfield and Wayne County Insider (the local newspaper) on January 1-8, 2024, and January 9-15, 2024. The proposed tariff is a "complete filing" in that it meets the criteria established in Utah Admin. Code R746-405-2.

The Division observed financial information and related discussions presented in the public meetings and the board meeting held February 15, 2024. The Board and several members of the community seem well informed of the financial issues facing TUID and seem interested in developing workable solutions to the challenges TUID faces. The parties seem interested in creating a sound financial plan going forward. The Division observed that TUID is experiencing significant financial pressures regarding operating and maintaining its electric grid, including maintaining and repairing its diesel generators, and procuring the required diesel fuel. The Division is persuaded that the proposed tariff change creating the fuel surcharge is an important element in creating a sound financial plan going forward.

Conclusion

The Division recommends the Commission acknowledge Ticaboo's tariff revisions with an effective date of April 1, 2024, and recommends the Commission make it available for public inspection.

cc: Alexa Wilson, Ticaboo Utility Improvement District
Michele Beck, Office of Consumer Services