

HURRICANE CITY POWER
526 W 600 N
HURRICANE, UTAH 84737

The Hurricane City Power Board held a special Power Board meeting on February 10, 2015 at 12:00 noon at the Clifton Wilson Substation at 526 W 600 N. In attendance were; Dave Imlay, Jerry Brisk, Mark Beauchamp from UFS, Terry Winter, Clark Fawcett, Pam Humphries, Dean Mc Neill, Jack Taylor from Santa Clara City and secretary Vicky Ogden. Dean Mc Neill led the Pledge of Allegiance and Dave Imlay offered the prayer.

Mark from UFS presented a five year financial projection for Hurricane City Power. Mark went through the utility revenue requirements, our projected cash flows, a recommended rate track, cost of service results, unbundling electric rates, significant assumptions and recommendations. This report was prepared to provide Hurricane City Power with a long term financial plan and an electric cost of service and unbundling rate study.

Hurricane City's Utility's cost structure consists of power supply costs and distribution costs to operate and maintain local infrastructure. This study indicates an overall 5.1% increase is needed to meet cost of service targets FY2016 and 50 cents added to the residential monthly charge. The Power Board Members stated that they would like all the rate payers to pay their equal share.

After a lot of detailed discussion on the rate study, Mark stated several times that the Hurricane City Power Department is running extremely efficiently and the Power Department is financially stable.

The direction the Power Board wants UFS to pursue is use a two 2% increase the first year followed by a 2 % increase the third year. UFS was given a 2% band width to work within. Also the rate was to be designed so that by the end of the 5th year, all rate classes would be paying their fair share as illustrated in the Rate Study. This recommendation and eventual rate design will go to the City Council for approval. The Council will have the option to supplement certain rate classes by giving higher rates to other classes to make up the difference.