

1 **MINUTES OF THE BOUNTIFUL LIGHT AND POWER COMMISSION**
2 **September 17, 1998**

3
4 **Those in Attendance**

5
6 **Power Commission**

7 H. Keith Barton, Chairman
8 Richard Foster
9 Sam Fowler, Council Representative
10 David Irvine
11 Lowell Leishman

6 **Power Department**

7 Clifford Michaelis, Director
8 Mark Bradley
9 Allen Johnson
10 Brent Thomas

12
13 **Excused**

14 Ralph Mabey, Commissioner
15 William P. Moore, Commissioner

12 **Recording Secretary**

13 Nancy Lawrence

16
17 **WELCOME**

18 Chairman Barton called the meeting to order at 6: 38 p.m. and welcomed those in
19 attendance.

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21 **INVOCATION**

22 The invocation was offered by Commissioner Foster.

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24 **MINUTES**

25 Minutes of the regular meeting of the Power Commission held August 20, 1998 were
26 presented and unanimously accepted as amended on a motion made by Councilman Fowler and
27 seconded by Commissioner Foster.

28
29 **FINANCIAL REPORT - AUGUST 1998**

30 Chairman Barton presented the Financial Review for the Period Ending August 31, 1998
31 which showed Revenue in excess of Expenses and Capital, year-to-date, in the amount of
32 \$450,205. Mr. Bradley explained that since 80 percent of the power is purchased from UAMPS
33 and is billed about 75 days late, costs for July and August were estimated. Mr. Michaelis noted
34 that the cost of the IPP power is getting more competitive as a result of the bonds being re-
35 marketed at a \$1 billion savings in debt service over the life of the project. The cost of the San
36 Juan resource is about 55 mills and would be about 40 mills if the plant were running at full
37 capacity. Commissioner Leishman asked about re-payment to the Capital Improvement fund for
38 the loan used to purchase San Juan. Mr. Michaelis explained that we did not make a principal
39 payment this past year (97-98), but we will be making payments in the 1998-99 fiscal year.
40 Following discussion, the Finance Report was unanimously approved as presented on a motion
41 made by Commissioner Leishman and seconded by Commissioner Irvine.

42
43 **46 KV TRANSMISSION REBUILD - UPDATE**

44 Mr. Johnson reported that TPC has completed installation of the four poles on top of the
45 mountain. Our crews did some repair work at the same time and this section of the 46 kV should
46 now be in excellent condition. TPC has begun work on the transmission line for Phase II;

1 however, due to a design error, the project was delayed for a day. In spite of this, it is
2 anticipated that the work will be completed on schedule. Mr. Johnson praised TPC and our
3 crews in the work which has been done on the transmission line.
4

5 **POWER SYSTEMS OPERATIONS REPORT**

6 **Assignment Agreement Between ICPA-UAMPS and Bountiful.** Mr. Michaelis
7 explained that as a part of the merger between ICPA and UAMPS, ICPA must be totally
8 dissolved and the Excess Power Sales Agreement (EPSA) between ICPA-UAMPS and
9 Bountiful must be transferred from ICPA to UAMPS. The Agreement has been reviewed by
10 counsel for UAMPS and will be reviewed by our City Attorney prior to action by the City
11 Council. It is the staff recommendation that the Power Commission send a request to the
12 Council to approve the assignment of this Agreement. Commissioner Leishman made a motion
13 to recommend that the Council approve the assignment of the EPSA to UAMPS. Councilman
14 Fowler seconded the motion and voting was unanimous.
15

16 **East Canyon Hydro Surrender of License - Update.** Mr. Johnson reported that he has
17 been working with FERC to prepare the necessary documents to surrender the license related to
18 the East Canyon hydro. The transmission line will now be fully included in the Echo hydro
19 project. Mr. Johnson said that the documents will be prepared in such a way to extend or change
20 the boundaries of Bountiful and terminate the license for East Canyon; this will be done
21 administratively through a filing which Tim Shuba, from Shea & Gardner, our FERC Attorney,
22 is helping to accomplish. By taking this action, Bountiful will have the first offer for this
23 resource in the future. The project is presently too costly to complete (60-65 mills) and brings
24 with it liability associated with the dam. The cost to write-off the project will be about
25 \$550,000.00. If we kept the license, we would be obligated to begin construction now and the
26 project would not be economically feasible in today's market.
27

28 **Deregulation/Electric Restructuring Update.** Mr. Michaelis referred to the write-up in
29 the packet and reiterated that he does not expect any deregulation bill in this year's legislative
30 session. He referred to problems in several states where de-regulation has been opened up and
31 noted that the best thing Utah can do is move slowly and deliberately and learn from the lessons
32 going on around us. Ted Rampton and Roger Tew serve as lobbyist for this matter and both are
33 highly respected.
34

35 **Related Injuries/Safety Report.** Mr. Thomas reported that the lineman with "tennis
36 elbow" is still on light duty and making constant improvement.
37

38 **August 1998 Public Relations Report.** Mr. Michaelis referred to the materials in the
39 packet and reminded the group of the Public Power Open House on September 22, 1998.
40

41 **Outage Report - August 1998.** Chairman Barton noted that the losses are so small in
42 many of the outages that the cost to *make the report* might exceed the losses from the sale of
43 power. It was noted that some loss is made up from additional electric power being needed in a

1 home after an outage (to bring the home back to the desired temperature, etc.).

2
3 **Systems Resource Report - June 1998.** Chairman Barton asked if the staff is still
4 studying line losses and looking for ways to help reduce those losses. He also asked about the
5 revenue picture for the PLUGS program. Mr. Thomas reported that some of this revenue has
6 been spent in repair of underground problems; however, the program is a money maker at this
7 time. Chairman Barton requested that staff prepare a quarterly report of PLUGS revenue and
8 expense.

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10 **OTHER BUSINESS** - None

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12 **NEW BUSINESS** - None

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14 **ADJOURN**

15 The meeting adjourned at 7:18 p.m. on a motion made by Commissioner Leishman and
16 seconded by Councilman Fowler.