



National Conference & Public Power Expo

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Explore Together



Standing UP to a Sell Out Threat....

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The difference....



- **Public Power utilities are:**

- Local or government
- Public ownership and local control
- Not-for-Profit
- Focus on Customers
- Support the local government through payments-in-lieu-of-taxes or transfers to the general fund

- **Investor-owned are:**

- Private, for-profit enterprises
- Owned by investors or shareholders, who generally are not customers of the utility or members of the community
- Primary motivation is to increase the value of shareholders
- Do pay taxes to local government but customers have no voice in the operations of the utility

“Remember Public Power defines efficiency in terms of low rates and responsive service, not in terms of profits and dividends to stockholders.”



Know who you really are and who you represent...



“You need to know your history to prepare for the future”

- Represent the citizens of the small town Mt. Pleasant Utah
- Power department has been around for over a hundred years since 1912
- Currently serving 2300 customers
- Service territory 80 square miles
- Mostly residential serving a lot of second homes and cabins in Skyline Mountain Resort, Aspen Hills, Legacy Mountain, and Willow Glen subdivisions.
- Currently operate 4 hydros
- 2 substations (working on a 3rd)
- Survived a buy out option 2016 from a large Investor Owned Utility
- RP3 (Reliable Public Power Provider) certified through the APPA
- Currently staff three Journeyman Lineman, one Apprentice and one Groundsman



Benefits of Owning Our Own Public Power....



- Local people working for local people to meet the local need!!
- It is locally controlled. **YOU own it**, you have a say in what happens to it.
- Quick response time...your power outage call goes directly to the on call person for the Power Department, not through a call center and then out to the crew.
- We currently help Rocky Mountain trouble shoot their transmission lines. (a large % of outages are from RMP)
- Free or low cost service to municipal buildings, water pumping, water and sewer treatment, recreational facilities, traffic signals and a whole lot of Street Lights
- Temporary lighting for special events... Christmas lights on main, plugs and temp power lights out to the park and Rodeo Arena for the 4th of July.
- Maintaining streetlights, traffic signals, 4 plex lights, Contoy Arena lights and all other lights.





- Work well with local telephone company and electricians and contractors around the Sanpete County. Good working relations with the School District and Wasatch Academy.
- Non-utility locates for stakes, wires, pipes
- Use of power department vehicles and equipment for Public Works:
 - backhoe, mini ex, trailers, bucket trucks, supplies, materials etc.
 - Mt. Pleasant Power plays a big role in the percentage of items bought
- Integration of municipal operations (shared buildings)
- Shared personnel (metering, billing, human resources)
- Lower per-person costs for municipal employee benefits
- Tree trimming
- Lineman do metering, Generation, Distribution and Transmission
- Rewiring municipal buildings. Rec center, Old Gym, City Hall, shops water pumps etc.
- Payments in lieu of taxes or other transfers to general funds. Currently \$366,000 goes to the general fund each year from the power department.

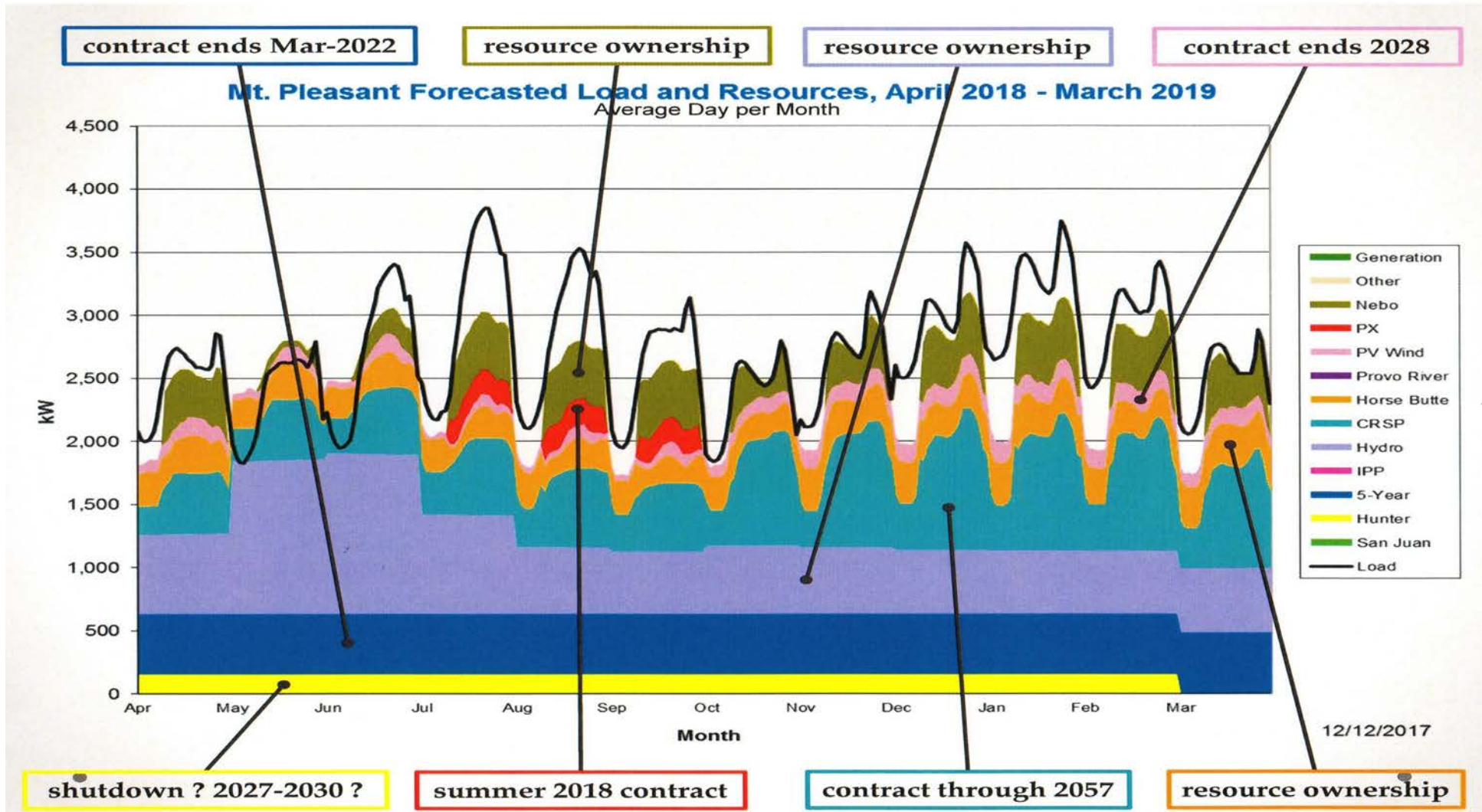


The logo for UAMPS, featuring the letters "UAMPS" in a bold, blue, sans-serif font.

- UAMPS is a joint action agency, which Mt. Pleasant is a member of, it provides comprehensive wholesale electric energy, on a nonprofit basis, to community-owned power systems throughout the Intermountain West. The membership consists of 46 municipalities from Utah, California, Idaho, Nevada, New Mexico and Wyoming.
- Through UAMPS' Smart Energy Initiative, Mt. Pleasant residents are able to save money and energy through energy efficiency programs:
 - Cool Cash
 - Home Energy Saving Program
 - See Ya Later Refrigerator
 - Commercial Lighting Program



Know Your Resource Portfolio.....



We also have 6,426 kW with IPP that we could call on at any time. Right now a percentage is going to California.

Know your rates compared to IOU and neighboring utilities....



	Mt. Pleasant Power	Rocky Mountain Power
kWh Usage		
100	\$27.50	\$14.85
200	\$35.00	\$23.70
500	\$57.50	\$52.49
1000	\$105.00	\$110.66
1500	\$152.50	\$171.28
2000	\$210.00	\$243.53
2500	\$267.50	\$315.79
3000	\$325.00	\$388.04
3500	\$382.50	\$460.30
4000	\$440.00	\$532.55
4500	\$497.50	\$604.80
5000	\$555.00	\$677.06



Highlighted in **red** is where most meters read in monthly usage

What do we do if it comes to a sell...



Follow the rules in the Utah State Code 10-7-15; 10-7-16; 10-7-17; 1-7-18

- Have a replacement value of our electric system estimated. Account for depreciation and capital improvements. You need a TRUE evaluation of the system: a non biased study. A biased study leading to a bad decision is a no bargain
- Currently, Mt. Pleasant is mapping its system so they have a TRUE evaluation. According to the company we hired our system is currently worth \$30+ million
 - *It's more than just poles, wires, transformers*
 - *Provides a quality of life in the community*
 - *A source of energy for the health and wealth of the community*
 - *Keeps the money expended, in the community*
 - *Local employment and reduced taxes*
 - *Locally controlled*
 - *Those you elect, direct*



Costs associated in selling the utility...



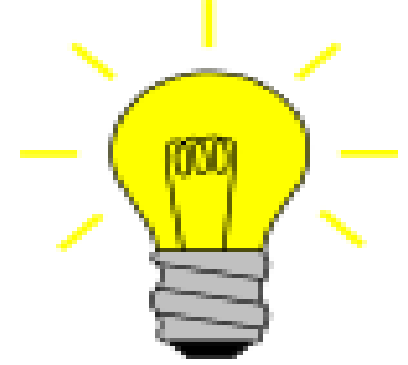
- Termination of Contracts, Agreements and Grants
 - Power sale agreements
 - Fuel Purchase agreements
 - Jointly owned property agreements
- Requirements of Bond Resolutions
 - Facilities are often financed with tax exempt bonds. The terms of the utility's bond resolutions may require the repayment of tax-exempt debt prior to any sale of the utility; these cost may be substantial.
 - The utility would also need to consult with a bond council to ensure that all IRS regulations are satisfied.
- Termination of Municipal Employees
 - In addition to any severance package offered, the city may be required to pay cash for vacation and sick leave accrued
 - Terminated employees may be able to withdraw money from the municipal pension plan, resulting in an underfunded plan, or causing additional costs to the municipality.



● Hiring Experts

- The city will need to hire attorneys, accountants, engineers and other experts to work through the obligations and contract provisions in the areas described above. And to perform at least one evaluation study.
- The cost depends on the complexity of the contracts.
- Failure to address the legal, financial, and technical issues at this stage of sale may prove very costly in the long run.
- The legal and technical review may reveal added costs that affect the economic feasibility of the sale itself.

Future of public power is



Don't go down without a fight you need to fight for what you believe in....

- ***You wouldn't sell a family car to pay for a family vacation***
- ***Why sell the municipal utility that provides long term benefits to the city for a one-time financial windfall. Once it is gone that's it!!!***

