



Mayor
John Bramall

City Manager
Clark R. Fawcett

City of Hurricane

Power Board
Mac J. Hall, Chair
Jerry Brisk
Dean McNeill
Charles Reeve
Darin Larson
Pam Humphries

The Hurricane City Power Board met on June 29, 2021, at 3:00 p.m. at the Clifton Wilson Substation on 526 W 600 N.

In attendance were Chairman Mac Hall, Charles Reeve, Jerry Brisk, Pam Humphries, Dave Imlay, Scott Hughes, Brian Anderson, Douglas Heideman, and April Hill.

Mac Hall welcomed everyone to the meeting; Pam Humphries led the Pledge of Allegiance and Mac Hall offered the prayer.

Scott Hughes: Scott reported that the 15 KV reclosure bid was awarded to Irby Engineering. Scott explained the operation of RTAC's. The current RTAC program at the Clifton Wilson Substation is being replaced. The reclosure controllers are being switched over from ABB to Schweitzer. Generator # 4 had rotor fail. The rotor has been removed and shipped to Tennessee for a rebuild. Generator # 5 had small pieces of the intake tubing and gasket break free and enter the turbo impellor and damage one of the fins. The generator is still operable, and parts are being shipped to make repairs. Generator # 8 has had three exhaust failures. The exhaust failures begin to burn up the wiring harness that runs near them. Jared has come up with a fix that is wrapping the wiring harness with header tape to protect it from the excessive heat that escapes when the exhaust clamps and bellows fail.

Brian Anderson: The Line Crew has been digging holes to place culverts on 600 North for Phase Two of the 600 North transmission projects. They installed an air brake switch to shift load off the highest load circuit. They have started a new reconductor project on 3000 South which is going to the batch plant. Annual inventory count is nearly complete

Generator #9 Permit Update: The permit application is still in process.

CFPP Update: The project has reached a New Plan of Finance phase. During a new budget of finance, it allows participants to increase, decrease, or cancel their entitlement. Dave reported that the plant is being reduced to a six-unit plant with the same amount of productivity. By decreasing the project size, it increases the cost of power. The cost of power is now estimated between \$55-\$58 per megawatt. Dave reported that Hurricane Power's levelized cost of power is on average \$60 per megawatt. Dave explained the power departments risk in the project. If Hurricane Power backs out the department will have to pay for the cost incurred to the date of the next withdrawal period. If NuScale ends the project or the project fails to meet the \$58.00 per megawatt the Power Department will be reimbursed near the full amount. The Power Board discussed the current resources and projected peak loads. Dave Imlay made the recommendation to remain in the project with the same entitlement. Pam Humphries made the motion to stay in the Carbon Free Power Project remaining at the same entitlement, Jerry Brisk second the motion. All in favor, the motion passed.

Discussion on Future Resource Adequacy, Resource Strategy and CFPP Entitlement: Dave reviewed Hurricane Power's current resources portfolio and projects that are under investigation. These resources still leave Hurricane Power heavily exposed to market power. The Nebo Power Plant is Hurricane

Power's best and biggest resource. However, the Nebo Power Plant is a natural gas project. With the push for carbon free power Nebo Power Plant could become not viable. Dave presented graphs showing load growth compared to resources. The current load growth is estimated at 6% a year.

Rate Increase Discussion and Possible Approval: Dave reported that the previous rate increase was in 2015. Dave provided the Power Board with the current rate structure. Dave reviewed a rate increase of five percent. Dave compared the 5% rate increase to the current cost of kilowatt hours purchased by Hurricane Power. The current Budget Year cost of power is \$64 per megawatt. The current rates do not cover the cost of the increase in purchased power. Dave discussed the average cost of power monthly and by budget year. Due to the increase in power costs if rates are not increased the continued loss will require the department to go into its reserves fund. Dave recommends implementing a rate increase starting October 2021. The Power Board discussed the benefits of the AMI metering and the possibility of having seasonal rate structures. Dave discussed having a rate study after the AMI meters are installed city wide. The Power Board reviewed the effect to residential, commercial, and industrial customers increasing the rates at three percent, four percent, and five percent. Dave made the recommendation to increase rates by four percent beginning in October 2021. Pam Humphries made the motion to increase power rates by four percent. Jerry Brisk second the motion. All in favor, the motion passed.

Budget: The cost of sales is 109.55% of the budgeted amount. Kilowatt hour sales are 97.82% of the budgeted amount. Kilowatt hour revenue is 100.77% of the budgeted amount. Revenue is at 106.93% of the budgeted amount. The average cost of power per megawatt for May 2021, is \$59.63 per megawatt and the average cost of power for the 2020-2021 budget year to date is \$63.65 per megawatt.

UAMPS: No report.

The Power Board adjourned at 5:00 p.m. The next Power Board Meeting is scheduled for July 27, 2021, at 3:00 PM.