

Today, almost anyone can generate small amounts of electricity, and this supply must often be integrated into the system.

The energy world is changing more rapidly than at any time in history, and new technology will only accelerate the rate of transformation. The UAMPS members are embracing the high-tech energy revolution, while continuing to provide abundant, clean, reliable electrical supply to their communities.

Integrating The Energy Sources Of The Future

One of the required skill sets of the modern electrical utility is the ability to integrate diverse sources of energy, large and small, while maintaining the integrity of the grid and serving customers. No longer are utilities the sole generators and distributors of electricity. Today, almost anyone can generate small amounts of electricity, and this supply must often be integrated into the system.

The need for smart energy integration will only increase as more small and large sources of energy are added to the grid, along with continued emphasis on energy efficiency and new carbon-free energy supply.

One benefit of introducing new energy sources to the system is that this new supply is generally cleaner than older sources, creating less pollution and greenhouse gases. Today, we are seeing a proliferation of small solar and wind, utility-scale solar and wind, micro-hydro, heat recovery, and geothermal, while coal and natural gas plants continue to provide a steady reliable supply as the backbone of the grid.

Integration of myriad sources of energy requires new rate policies to ensure fairness for all customers. UAMPS and its members must also keep one eye on Washington, D.C., where swift regulatory changes have occurred under the new administration. This dynamic regulatory landscape can be unsettling, but UAMPS is taking a long-term view of the industry's trajectory when making decisions.

All in all, UAMPS and its members are excited and optimistic about changes in the electrical utility industry. We are uniquely prepared to stay ahead of trends that benefit customers. We believe distributed generation and smart energy integration will support strong economies, improve air quality, reduce greenhouse gas emissions, and encourage healthy lifestyles in UAMPS member communities.

By embracing energy efficiency and conservation, integrating distributed energy, and developing new clean, carbon-free, energy supply, UAMPS and its members are well-positioned for future success.

Performance Summary

(UAMPS) is a governmental agency that

provides comprehensive wholesale electric

energy, on a nonprofit basis, to community-

Intermountain West. The UAMPS membership

represents 46 members from Utah, California,

Idaho, Nevada, New Mexico and Wyoming.

owned power systems throughout the

FISCAL YEAR	2016	2017
Total System Energy (MWh)	5,227,210	5,292,869
UAMPS Energy Sales (MWh)	4,930,609	4,993,306
Sales to Members (MWh)	4,573,603	4,571,417
Off-System Sales (MWh)	357,006	421,889
Total System Peak (MW)	1,090	1,114

Executive Message: A Year Of Reinvention



The UAMPS board has *embraced the new realities* of the industry.

Douglas O. Hunter Chief Executive Officer and General Manager

Board of Directors Chair

The year 2017 has been one of the most important in UAMPS' history. It can be summed up in one word – reinvention. Like other industries challenged by advanced technologies and rapid change, UAMPS and its members are in a process of reinvention. We must constantly adapt to a high-tech energy world, take advantage of new opportunities, and deal with unexpected obstacles.

Our electrical energy industry has historically been steady and predictable. We keep the lights on at reasonable prices, while responding rapidly and efficiently to emergencies.

Today, predictability has been replaced by volatility, thanks to new technologies enabling multiple sources of electrical energy, and societal pressures to reduce greenhouse gases and improve air quality. The industry must reinvent itself while maintaining the stability of the grid and providing abundant, uninterrupted electricity

The UAMPS board has embraced the new realities of the industry and is positioning our member communities to thrive in this changing environment. Through our member conferences, distributed generation task force, municipal toolkit and continual monitoring of best practices, the members are equipped with the tools and information necessary to make the right decisions for their customers.

Among our areas of emphasis:

- Focus on customer service and relationships. As customers increasingly have energy choices and desire cleaner energy, it is more important than ever to stay close to customers, understand their preferences, and meet their needs.
- Encourage energy efficiency and conservation. The cheapest energy of all is energy not used. In UAMPS member communities, customers can take advantage of a variety of programs to reduce their energy use and save money.
- Embrace variable energy resources and micro-energy projects, including rooftop solar and other distributed generation supply. UAMPS members are integrating these sources with smart rate policies that are fair to all customers.
- Investigate carbon-free small modular reactor technology to eventually replace coal generation and integrate variable energy resources.



Moving To A Carbon-Free Future

Utah Associated Municipal Power Systems

While moving to a carbon-free future, UAMPS is successfully integrating carbon and non-carbon energy sources, including distributed generation.



Nebo Power Station ▶

Energy Supply

The Hunter (operating for 38 years) and San Juan (operating for 39 years) coal plants continue to be energy workhorses, providing steady, reliable electricity for UAMPS members. Some members also have access to power from the coal-fired Intermountain Power Project.

However, changes are in store for some of these venerable coal plants. San Juan is expected to be closed in 2022, only 4.5 years away. IPP will convert to natural gas in 2025. The Hunter plant, which features state-ofthe-art pollution equipment, doesn't have a firm retirement date, and is operating without debt.

The Payson Project, a 140-megawatt combined cycle gas-fired generating facility has been operating smoothly since 2004 and is a key energy resource for UAMPS members. It is cleaner than a coal plant, but still emits some carbon dioxide and other pollutants.







The Carbon-Free Evolution

Since constructing the Payson Project, all of UAMPS' energy supply projects have been renewable and fossil fuel/carbon-free. The Horse Butte wind farm commenced operation in 2012, producing 57.6 megawatts of electricity.

In May 2016 the Veyo Heat Recovery Project began operation, generating 7.8 megawatts using waste heat from a Kern River Gas pipeline compressor station.

In addition, a number of UAMPS members have upgraded or developed small hydroelectric projects from pressurized

irrigation water and other sources. The development of new hydropower is actually a return to their roots for several UAMPS members. Their communities first became involved in electrical generation by developing hydropower many years ago.

In addition to these fossil fuelfree sources, UAMPS members are integrating distributed energy, mostly rooftop solar, generated by their customers.



Completing The Transition: Carbon-Free Energy Supply

It is clear that with rapid population growth among UAMPS member communities and the fluctuating nature of wind and solar, that additional flexible energy resources will be needed as coal-fired electrical generation is retired in the next decade.

For a number of years, UAMPS has been studying the feasibility of developing a small modular nuclear reactor project, perhaps the first in the world, to replace coal with carbon-free energy supply. Much progress has been made on this Carbon-Free Power Project (CFPP), and in 2018 key decisions will be made about proceeding.

Much of the due diligence has been focused on the cost and financing of the project, and whether the electricity generated would be cost-competitive with electricity from modern natural gas plants.

While much work remains to be done, the outlook for CFPP is promising, and it appears the price of electricity produced can be competitive with natural gas.

Replacing coal with nuclear energy would nearly complete UAMPS' transition to a carbon-free future.

◆ NuScale Power's 50 MW Small Modular Reactor

Rooftop Solar Integration Requires Fair Rates



Rooftop solar has proliferated rapidly, thanks in part to significant federal and state subsidies and lower installation costs.

As more homeowners and businesses install solar panels on their roofs, while remaining connected to the electrical grid, new rate structures are required to efficiently and fairly integrate this small, variable, generation into the grid.

Rooftop solar has proliferated rapidly, thanks in part to significant federal and state subsidies and lower installation costs. Old rate models don't account for the complexities of customers generating a portion of the electricity they use, while depending on the grid for power when the sun doesn't shine.

If utilities pay customers the retail rate for their excess generation, and aren't compensated properly for a proportional share of overhead and upkeep of the grid, then other customers are subsidizing those who install solar panels. Such a rate structure is not sustainable as more and more customers install solar systems.

Bountiful City, whose power department is led by Allen Johnson, a UAMPS board member and past board chair, recognized the financial and integration challenges posed by rooftop solar. With the support of the mayor, city council and power commission, Bountiful implemented a feed-in tariff / time-of-day rate model for customers using solar power in July 2017.

Under this rate structure, all customers' solar-generated electricity is sold to them at the same retail price other customers pay for electricity. Excess solar power purchased by Bountiful is priced at the equivalent wholesale rate Bountiful has to pay for power at the time the power is generated.

This structure eliminates a significant subsidy to solar customers, which under the old net metering program could be as much as 200%, depending on the time of day. Such a subsidy was not fair to non-solar customers.

The transition has gone relatively smooth, Johnson said. Some 200 customers that had already installed solar were grandfathered in, so the feed-in tariff rate does not apply to them.

Johnson credits the successful implementation to good communications with customers, being completely transparent, and candidly explaining the flaws of the net metering rate structure. Information sent to customers outlining the new policy included blunt statements, such as, "Paying someone twice as much for something that could otherwise be purchased at half the cost is no way to run a successful enterprise."



Utah Associated Municipal Power Systems



Integrating Variable Power Sources Into The Grid Is Art and Science

UAMPS and its members are committed to embracing clean, variable energy resources, distributed energy sources, and integrating these sources into their community energy systems and the broader grid.

But integrating micro-energy sources, in addition to larger variable energy resources, requires highly sophisticated forecasting and dispatch management to match power supply with customer demand, meeting load requirements at all hours of the day and

To understand the complexity, consider that many communities are integrating electricity generated from sources, such as wind and solar, that are inconsistent and variable. Neither humans nor computers can precisely predict when clouds and storms obscure the sun, or when solar panels become dirty and electrical production is degraded.

Likewise, many UAMPS members subscribe to wind power from UAMPS' Horse Butte wind farm. Planners know, on average, how much electricity will be produced from wind. But they can't predict day-to-day or hour-to-hour how strong the wind will blow and how much electricity will be generated.

This variable generation, along with electricity generated from a number of small projects, is integrated into UAMPS' Hunter, San Juan and Intermountain Power coal plants, large hydroelectric generation, and the natural gas-fired Nebo Power Project.

These baseload resources produce electricity on a consistent, steady, predictable basis. It is critical to smoothing out the variable energy sources and providing sufficient dependable electricity for customers.

The upside of the newer, smaller distributed generation is that it is mostly carbon-free and non-polluting. The downside is that it is variable and inconsistent and sometimes generates power at lowdemand times.

Therefore, as coal plants are retired in the mid-2020s, the future resource mix must include new carbon-free energy supply to supplement variable energy resources. To provide that baseload supply, UAMPS continues to investigate small modular nuclear reactor technology that is safe and carbon free.



UAMPS and its members are committed to embracing clean, variable energy resources, distributed energy sources, and integrating these sources into their community energy systems.

13

Board of Directors

Utah Associated Municipal Power Systems







BLANDING CITY



ALLEN JOHNSON CITY OF BOUNTIFUL



BRIGHAM CITY



ROBERT ERQUIAGA CITY OF FALLON, NV



ERIC LARSEN FILLMORE CITY



JASON NORLEN HEBER LIGHT & POWER



DAVID IMLAY HURRICANE CITY



MATT DRAPER HYRUM CITY



MARK MONTGOMERY LOGAN CITY



TIM GLASCO COUNTY OF LOS ALAMOS, NM



DANIEL PETERSON MONROE CITY



SHANE WARD MT. PLEASANT CITY



BLAINE HAACKE MURRAY CITY



SOUTH UTAH VALLEY ESD



SPRING CITY



SPRINGVILLE CITY



GENE SHAWCROFT CENTRAL UTAH WCD



ISAAC JONES CITY OF ENTERPRISE



TED OLSON EPHRAIM CITY



CASEY ANDERSON FAIRVIEW CITY



JACKIE FLOWERS CITY OF IDAHO FALLS, ID



BRUCE RIGBY KAYSVILLE CITY



LASSEN MUD, CA



JOEL EVES



DWIGHT DAY OAK CITY



PAYSON CITY



PRICE CITY





LAURIE MANGUM CITY OF ST. GEORGE



TRUCKEE DONNER PUD, CA



WASHINGTON CITY



WEBER BASIN WCD

2017 Officers

JACKIE FLOWERS CHAIR

JASON NORLEN VICE CHAIR DWIGHT DAY

LES WILLIAMS SECRETARY

TREASURER

Customer Profiles

The number of customers in each profile is as of December 2016

Utah Associated Municipal Power Systems

BEAVER CITY

Number of Customers: 1.901 2016-2017 Peak: 5,632 kW 2016-2017 Energy: 26,738,082 kWh Peak Growth Rate: 0.2% Energy Growth Rate: -4.6% Internal Generation 2016-2017 Production: 5.623.00 kW

Mayor: Craig Wright Council Members: Robin Bradshaw, Connie Fails, Chad

McWilliams, Matt Robinson, Tyler Schena

BLANDING CITY

Number of Customers: 1,739 2016-2017 Peak: 4,960 kW 2016-2017 Energy: 26,486,395 kWh Peak Growth Rate: -7.9% Energy Growth Rate: -2.5% Internal Generation 2016-2017 Production: None Mayor: Calvin Balch Council Members: Cheryl Bowers, Tyler Harrison, Joe Lyman, Robert Ogle, Kathrina Perkins

CITY OF BOUNTIFUL

Number of Customers: 16,827 2016-2017 Peak: 77,905 kW 2016-2017 Energy: 293,680,255 kWh Peak Growth Rate: 1.1% **Energy Growth Rate: 0.5%** Internal Generation 2016-2017 Production: 27.054.349

kWh

Mayor: Randy Lewis Council Members: Kendalyn Harris, Richard Higginson, Beth

Holbrook, John Knight, John Pitt Power Board: Susan Becker, Dan Bell, John Cushing, David Irvine, Jed Pitcher, Paul Summers

BRIGHAM CITY

Number of Customers: 7,862 2016-2017 Peak: 36.219 kW 2016-2017 Energy: 163,573,905 kWh Peak Growth Rate: 0.2% Energy Growth Rate: -1.9% Internal Generation 2016-2017 Production: 7,837,837 kWh Mayor: Tyler Vincent Council Members: Dennis Bott, Alden Farr, Ruth Jensen. Thomas Peterson, Mark Thompson

Power Board: Nini Anderson, Ron Jensen, Williams Munson, Janzen Packer, Alan Wright CENTRAL UTAH WATER CONSERVANCY DISTRICT

Number of Customers: None 2016-2017 Peak: None 2016-2017 Energy: None Peak Growth Rate: None **Energy Growth Rate: None**

Internal Generation 2016-2017 Production: 54,538,150

General Manager: Gene Shawcroft Board of Trustees: Wayne Anderson, J.R. Bird, Jim Bradley, Randy Brailsford Shelley Brennan, Max Burdick, Kirk Christensen Michael Davis Tom Dolan Steve Frischnecht Nathan Ivie. Al Mansell, Michael McKee, Greg McPhie, Aimee Newton, Gawain Snow, Byron Woodland, Boyd Workman

CITY OF ENTERPRISE

Number of Customers: 624 2016-2017 Peak: 2.161 kW 2016-2017 Energy: 9,471,170 kWh Peak Growth Rate: -0.3% **Energy Growth Rate: 2.0%** ernal Generation 2016-2017 Production: None

Mayor: S. Lee Bracken

Council Members: Jared Bollinger, Darcy Holt, R. Jared Holt, Barry Jones, Shalyn Nelson

EPHRAIM CITY

Number of Customers: 2,341 2016-2017 Peak: 7,934 kW 2016-2017 Energy: 34,395,133 kWh Peak Growth Rate: 0.2% **Energy Growth Rate: 3.5%** Internal Generation 2016-2017 Production: 6.011.340 kWh **Mayor: Richard Squire** Council Members: Tyler Alder, Margie Anderson, Alma Lund,

John Scott, Richard Wheeler Power Board: Curt Braithwaite, Leonard McCosh, Ted L. Olson, Heath Peterson, Don Thompson

FAIRVIEW CITY

Number of Customers: 857 2016-2017 Peak: 1,688 kW 2016-2017 Energy: 8,485,361 kWh Peak Growth Rate: -1 8% Energy Growth Rate: -0.5% Internal Generation 2016-2017 Production: None Mayor: leff Cox Council Members: Casey Anderson, Bawb Nielsen, Kaelyn Sorensen, Robert St. Jacques, Cliff Wheeler

Number of Customers: 4,910 2016-2017 Peak: 20,635 kW

CITY OF FALLON

2016-2017 Energy: 89,094,409 kWh Peak Growth Rate: 2.7% Energy Growth Rate: -0.9% Internal Generation 2016-2017 Production: None Mayor: Ken Tedford Council Members: Robert Erickson, Kelly Frost, James Richardson

FILLMORE CITY

Number of Customers: 1,151 2016-2017 Peak: 7,390 kW 2016-2017 Energy: 36,867,737 kWh Peak Growth Rate: 0.5% **Energy Growth Rate: 0.3%** rnal Generation 2016-2017 Production: None Mayor: Eugene Larsen Council Members: Ian Adams, Michael Holt, Eric Jenson,

Jeffrey Mitchell, Michael Rhinehart

CITY OF GALLUP

Landavazo, Fran Palochak

Number of Customers: 10,240 2016-2017 Peak: 39,995 kW 2016-2017 Energy: Unavailable Peak Growth Rate: 4.0% **Energy Growth Rate: Unavailable** Internal Generation 2016-2017 Production: None Mayor: Jackie McKinney

Council Members: Linda Garcia, Yogash Kumar, Allan

HEBER LIGHT AND POWER

Number of Customers: 11.575 2016-2017 Peak: 38 781 kW 2016-2017 Energy: 178,669,833 kWh Peak Growth Rate: 2% **Energy Growth Rate: 3%** Internal Generation 2016-2017 Production: 17,160,547 Mayors: Bob Kowallis, Charleston; Alan Wayne McDonald, Heber City: Colleen Bonner, Midway Power Board: Colleen Bonner, Jeff Bradshaw. Kendall Crittenden, Bob Kowallis, Alan Wayne McDonald, Jeff Smith

HELPER CITY

Number of Customers: 1.075 2016-2017 Peak: Unavailable 2016-2017 Energy: 11,275,000 kWh Peak Growth Rate: Unavailable **Energy Growth Rate: None** Internal Generation 2016-2017 Production: None Mayor: Edward Chavez **Board of Directors:** Dave Dornan, Gary Harwood, Chris Pugliese, Amanda Wheeler, Tom Williams

HOLDEN TOWN

Number of Customers: 226 2016-2017 Peak: 512 kW 2016-2017 Energy: 1,948,345 kWh Peak Growth Rate: 1.4% **Energy Growth Rate: 0.2%** Internal Generation 2016-2017 Production: None Mayor: Jim Stephenson Council Members: David Dallin, Linda Nixon, Brian Stephenson, Mike Turner

HURRICANE CITY

Number of Customers: 6,623 2016-2017 Peak: 37,411 kW 2016-2017 Energy: 120,592,856 kWh Peak Growth Rate: 9.3% **Energy Growth Rate: 2.4%** Internal Generation 2016-2017 Production: 2,812,180 kWh Mayor: John Bramall Council Members: Pam Humphries, Darin Larson, Chervl Reeve Kevin Tervort Kevin Thomas Power Board: Jerry Brisk, Mac Hall, Pam Humphries, Dean Mc Neill, Charles Reeve, Terry Winter

HYRUM CITY

Number of Customers: 3,362 2016-2017 Peak: 18 528 kW 2016-2017 Energy: 95,311,164 kWh Peak Growth Rate: 9 6% **Energy Growth Rate: 13.9%** Internal Generation 2016-2017 Production: 26,300 kWh Mayor: Stephanie Miller Council Members: Steve Adams, Kathleen Bingham, Jared Clawson, Paul James, Craig Rasmussen

Customer Profiles

The number of customers in each profile is as of December 2016

IDAHO ENERGY AUTHORITY INC. Number of Customers: None

2016-2017 Peak: None

2016-2017 Energy: None

Peak Growth Rate: None **Energy Growth Rate: None** Internal Generation 2016-2017 Production: None Board of Directors President: Jim Webb Board of Directors: Barbara Andersen, Max Beach, Don Bowden, Gary Buerkle, Bryan Case, Greer Copeland, Ken Dizes, Jo Elg, Douglas Elliott, Clay Fitch, Cleo Gallegos, David Hagen, Doug Hunter, Billy Palmer, Mark Payne, Wid Ritchie, Alan Skinner, Chad Surrage, David Tate, Annie Terraacciano, Brent

Wallin, Jim Webb CITY OF IDAHO FALLS

Number of Customers: 27,332 2016-2017 Peak: 144.621 kW 2016-2017 Energy: 719,076,435 kWh Peak Growth Rate: 5.3% Energy Growth Rate: -0.5%

Internal Generation 2016-2017 Production: 219,126,340

Mayor: Rebecca Casper

Council Members: Barbara Ehardt, Thomas Hally, Ed Marohn, John Radford, David Smith, Michelle Zeil-Dingman

KANOSH TOWN

Number of Customers: 269 2016-2017 Peak: 644 kW 2016-2017 Energy: 2,231,596 kWh Peak Growth Rate: -0.6% Fnergy Growth Rate: -2.3% Internal Generation 2016-2017 Production: None Mayor: Earl Gardner Council Members: Raymond Prows, Jeff Tibbits, Ginger Whitaker, Roger Whitaker

KAYSVILLE CITY

Number of Customers: 9,256 2016-2017 Peak: 45.836 kW 2016-2017 Energy: 153,235,118 kWh Peak Growth Rate: -0.4% **Energy Growth Rate: 2.3%** Internal Generation 2016-2017 Production: None Mayor: Steve Hiatt Council Members: Dave Adams, Jake Garn, Susan Lee, Larry Page Chris Snell Power Board: Sean Chilcote, Alan Farnes, Patrick Hein, Susan

LASSEN MUNICIPAL UTILITY DISTRICT

Number of Customers: 11 448

Lee, John Loveless, Jordan Stephenson, Brok Thayn

2016-2017 Peak: 30,501 kW 2016-2017 Energy: 129,483,747 kWh Peak Growth Rate: 6.8% Energy Growth Rate: -0.8% Internal Generation 2016-2017 Production: None **Board President: Bud Bowden** Board of Directors: Bud Bowden, Dave Ernaga, Daren Hagata, Fred Nagel, Jess Urionaguena

LEHI CITY

2016-2017 Peak: 98 115 kW 2016-2017 Energy: 354,942,568 kWh Peak Growth Rate: 3.5% **Energy Growth Rate: 9.0%** Internal Generation 2016-2017 Production: None Mayor: Bert Wilson Council Members: Paige Albrecht, Chris Condie, Paul Hancock, Johnny Revill, Mike Southwick

LOGAN CITY

Number of Customers: 19.697 2016-2017 Peak: 90,875 kW 2016-2017 Energy: 456,028,755 kWh Peak Growth Rate: -6.8% Energy Growth Rate: -1.9%

Number of Customers: 19,095

Internal Generation 2016-2017 Production: 37,932,134

kWh Mayor: H. Craig Petersen

Council Members: Holly Daines, Tom Jensen, Gene Needham, Herm Olson, Jeannie Simmonds Power Board: Loren Anderson, Richard W. Anderson, Jonathan

Badger, Charles Darnell, Fred Duersch, Roger Leonard

COUNTY OF LOS ALAMOS Number of Customers: 8,934

2016-2017 Energy: 586,279,179 kWh Peak Growth Rate: 0.0% **Energy Growth Rate: 0.0%** Internal Generation 2016-2017 Production: 6,868,274 kWh Council Chair: David Izraelevitz Board of Public Utilities: Paul Frederickson, Jeff Johnson, Steve McLin, Kathleen Taylor, Carrie Walker

LOWER VALLEY ENERGY

2016-2017 Peak: 87,591 kWh

Number of Customers: 27,459 2016-2017 Peak: 209,343 kW 2016-2017 Energy: 790,004,900 Peak Growth Rate: 1.0% **Energy Growth Rate: 1.1%** Internal Generation 2016-2017 Production: 10,157,400

kWh

President: Fred Brog Board of Directors: Scott Anderson, Fred Brog, Dan Dockstader, Ted Ladd, Dean Lewis, Linda Schmidt, Nancy

MEADOW TOWN Number of Customers: 172

2016-2017 Peak: 580 kW 2016-2017 Energy: 2,030,595 kWh Peak Growth Rate: 6.8% Energy Growth Rate: -1.7% Internal Generation 2016-2017 Production: None Mayor: Lynette Madsen Council Members: Tony Cowley, Brad Robinson, Lloyd Robinson, Dustan Starley

MONROE CITY

Number of Customers: 1,091 2016-2017 Peak: 3,252 kW 2016-2017 Energy: 10,172,030 kWh Peak Growth Rate: 12 2% **Energy Growth Rate: 0.8%** Internal Generation 2016-2017 Production: 3,319,137 kWh Mayor: Kirt Nilsson Council Members: Joseph Anderson, Johnny Parsons, Perry Payne, Michael Mathie, Fran Washburn

MORGAN CITY

Number of Customers: 1.640 2016-2017 Peak: 5 106 kW 2016-2017 Energy: 21,090,440 kWh Peak Growth Rate: -1.4% **Energy Growth Rate: 3.2%** Internal Generation 2016-2017 Production: None Mayor: Ray Little Council Members: Mike Kendell, Tony London, Eric Turner, Jeff Wardell

Annual Report 2017

MT. PLEASANT CITY

Number of Customers: 2.209 2016-2017 Peak: 4,897 kW 2016-2017 Energy: 23,382,813 kWh Peak Growth Rate: 4 0% Energy Growth Rate: -1.3% Internal Generation 2016-2017 Production: 5.822.857 kWh Mayor: Sandra S. Bigler Council Members: Dan Anderson, Justin Atkinson, Keith Collier, Heidi McKay Kelso, Kevin Stallings

MURRAY CITY

Number of Customers: 17,956

2016-2017 Peak: 102,053 kW

2016-2017 Energy: 419,164,960 kWh Peak Growth Rate: -2.4% **Energy Growth Rate: -1.7%** Internal Generation 2016-2017 Production: 3.424.951 kWh Mayor: Ted Eyre Council Members: Jim Brass, Blair Camp, Brett Hales, David Nicponski, Diane Turner

OAK CITY

Number of Customers: 273 2016-2017 Peak: 751 kW 2016-2017 Energy: 3,228,757 kWh Peak Growth Rate: -6.8% Energy Growth Rate: -2.7% Internal Generation 2016-2017 Production: None Mayor: Ken Christensen Council Members: Craig Dutson, Jeff Lyman, Monica Niles, Dave Steele

TOWN OF PARAGONAH Number of Customers: 262

2016-2017 Peak: 545 kW 2016-2017 Energy: 2,058,391 kWh Peak Growth Rate: 13.1% Energy Growth Rate: 4.0% Internal Generation 2016-2017 Production: None Mayor: Constance Robinson Council Members: Mike Abbott, Mark Barton, Marge Cipkar, Earl Olsen Power Board: Mark Barton, Royce Barton, Bill Johnson, Greg Judd, Robbie Topham

PAROWAN CITY

Number of Customers: 1,478 2016-2017 Peak: 3,205 kW 2016-2017 Energy: 12,970,986 kWh Peak Growth Rate: -2.4% **Energy Growth Rate: -11.6%** Internal Generation 2016-2017 Production: 3,400,000 kWh Mayor: Donald Landes Council Members: Alan Adams, Vickie Hicks, Ben Johnson,

Steven Thayer, Patti Vesely

Power Board: Alan Adams, Clair Benson, Jared Burton, Ben Johnson, John Robertson

Customer Profiles

The number of customers in each profile is as of December 2016

PAYSON CITY

Richard Moore

Number of Customers: 6.166 2016-2017 Peak: 29,589 kW 2016-2017 Energy: 126,684,325 kWh Peak Growth Rate: 1.7% **Energy Growth Rate: 0.7%** Internal Generation 2016-2017 Production: 3,025,508 kWh Mayor: Richard Moore Council Members: Linda Carter, Michael Hardy, Brian Hulet, Scott Phillips, Doug Welton

PLUMAS SIERRA RURAL ELECTRIC COOPERATIVE

Power Board: Don Christiansen, Ron Gordon, Michael Hardy,

Number of Customers: 7,907 2016-2017 Peak: 28.055 kW 2016-2017 Energy: 157,679,000 kWh Peak Growth Rate: -2.1% **Energy Growth Rate: 0.0%** Internal Generation 2016-2017 Production: 28,294,676 kWh President: Dave Roberti

Board of Directors: Tom Hammond, David Hansen, Dan Kenney, Nancy Miller, Fred Nelson, Dave Roberti, Richard Short

PRICE CITY

Number of Customers: 5,096

2016-2017 Peak: 16,610 kW

2016-2017 Energy: 74,291,060 kWh Peak Growth Rate: 0.7% Energy Growth Rate: -2.7% Internal Generation 2016-2017 Production: None Mayor: Joe L. Piccolo

Council Members: Wayne Clausing, Rick Davis, Layne Miller, Kathy Hanna-Smith, Terry Willis

SALMON RIVER ELECTRIC COOPERATIVE

Number of Customers: 2,831 2016-2017 Peak: 19,163 kW 2016-2017 Energy: 98,848,912 kWh Peak Growth Rate: 0% Energy Growth Rate: 0% Internal Generation 2016-2017 Production: None Board of Directors: Jeff Bitton, Robert Boren, Michael Miller, Doug Parkinson, Steve Rembelski, Earl Skeen, Norman Wallis

CITY OF SANTA CLARA

Number of Customers: 2,396 2016-2017 Peak: 14,983 kW 2016-2017 Energy: 41,045,989 kWh Peak Growth Rate: 4.0% **Energy Growth Rate: 4.9%** Internal Generation 2016-2017 Production: 1,010,799 kWh Mayor: Rick T. Rosenberg Council Members: Jerry Amundsen, Herb Basso, Mary Jo Hafen, Kenneth Sizemore, Jarrett Waite

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT

Number of Customers: 3.638

2016-2017 Peak: 14.530 kW 2016-2017 Energy: 57,356,562 kWh Peak Growth Rate: -9.5% **Energy Growth Rate: 0.4%** Internal Generation 2016-2017 Production: 6,739,200 kWh Mayor of Elk Ridge: Ty Ellis Mayor of Woodland Hills: Wendy Pray Board of Directors: Nelson Abbott, Joel Brown, Blair Hamilton, Ray Loveless, Paul Meredith, Wendy Pray, John Youd

SPRING CITY

Number of Customers: 565 2016-2017 Peak: 832 kW 2016-2017 Energy: 3,023,191 kWh Peak Growth Rate: -0.4% Energy Growth Rate: 3.4% Internal Generation 2016-2017 Production: 1,425,000 kWh Mayor: Jack Monnett Council Members: Wit Allred, Keith Coltharp, Cody Harmer, Neil

Sorensen, Kimberly Stewart Power Board: Gary Allen, Shawn Black, Paul Bowerman, Von Mellor, Jim Philips, Danny Winona

SPRINGVILLE CITY

Number of Customers: 11,512

2016-2017 Peak: 61,622 kW

2016-2017 Energy: 272,479,667 kWh Peak Growth Rate: 2.3% **Energy Growth Rate: 3.3%** Internal Generation 2016-2017 Production: 8,639,776 kWh Mayor: Wilford W. Clyde Council Members: Rick Child, Craig Conover, Chris Creer, Jason Miller, Chris Sorensen Power Board: Clair Anderson, Rod Andrew, Travis Ball, Craig Conover, Liz Crandall, Mark Lamoreaux, Patrick Monney

CITY OF ST. GEORGE

Number of Customers: 29,415 2016-2017 Peak: 189,510 kW 2016-2017 Energy: 674,420,860 kWh Peak Growth Rate: 0.9% **Energy Growth Rate: 0.7%** Internal Generation 2016-2017 Production: 135.825.357

kWh

Mayor: Jon Pike

Council Members: Bette Arial, Ed Baca, Joe Bowcutt, Jimmy Hughes, Michele Randall

TICABOO UTILITY IMPROVEMENT DISTRICT Number of Customers: 152

2016-2017 Peak: 252 kW 2016-2017 Energy: 595,000 kWh Peak Growth Rate: Unknown **Energy Growth Rate: 10%** Internal Generation 2016-2017 Production: 595,000 kWh **Board Chair: Tom Hill** Board of Directors: Jim Bell, Rick Brinkerhoff, Justin Fischer,

Tom Hill, Chip Shortreed

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

2016-2017 Peak: 34,293 kW 2016-2017 Energy: 159,187,050 kWh Peak Growth Rate: -9.8% **Energy Growth Rate: 2.5%** Internal Generation 2016-2017 Production: None **Board President: Jeff Bender** Board of Directors: Joseph Aguera, Jeff Bender, Bob Ellis, Tony Laliotis, Tony Warmerdam

WASHINGTON CITY

Number of Customers: 13.674

Number of Customers: 9.678 2016-2017 Peak: 36,482 kW 2016-2017 Energy: 113,505,559 kWh Peak Growth Rate: 5.6% **Energy Growth Rate: 2.5%** Internal Generation 2016-2017 Production: 1,070,996 kWh Mayor: Kenneth Nielson Council Members: Troy Belliston, Kolene Granger, Kurt Ivie, Garth Nisson, Jeff Turek Power Board: Roger Bundy, Daniel Cluff, Mike Dinsmore, Brett Labrum, Todd Maxwell, Robert Sandberg, Thad Seegmiller

WEBER BASIN WATER CONSERVANCY DISTRICT

2016-2017 Peak: 7,171 kW 2016-2017 Energy: 13,589,098 kWh Peak Growth Rate: 30 1% Energy Growth Rate: -15.8% Internal Generation 2016-2017 Production: 21,402,490 kWh General Manager/CEO: Tage I. Flint **Board of Trustees President: Kyle R. Stephens** Board of Trustees: Kym Buttschardt, Jay V. Christensen, Kerry W. Gibson, Marlin K. Jensen, John Petroff Jr., Kyle R. Stephens, Paul

Summers, Dave Ure, Dee Alan Waldron

Statement of Cash Flow

Operating activities	2017	2016
Cash received from customers Cash payments to suppliers for goods and services Cash payments to employees for services Cash payments for ad valorem taxes Deferred revenue	\$ 191,480,682 (151,429,964) (6,758,985) (707,123)	\$ 181,774,548 (151,503,321) (5,981,226) (799,240) (174,460)
Net cash provided by operating activities	32,584,610	23,316,301
Capital and related financing activities		
Disbursements for utility plant and equipment Proceeds from issuance of long-term debt Disbursement for bond refunding Principal disbursement on revenue bonds Interest disbursement on revenue bonds Bond issuance costs Distribution	(7,024,587) 1,968,000 - (14,632,000) (8,801,238) (130,001) (3,284,674)	(22,257,898) 25,880,000 (3,597,620) (33,666,000) (9,165,323) (64,612) (3,073,769)
Net cash used in capital and related financing activities	(31,904,500)	(45,945,222)
Noncapital and related financing activities		
Draws on lines of credit Disbursements on lines of credit Outstanding checks in excess of long-term debt	147,001,839 (150,574,578) –	188,599,851 (186,640,643) (160,411)
Net cash (used in) provided by noncapital and related financing activities	(3,572,739)	1,798,797
Investing activities		
Cash received from investments Cash paid for investments Restricted assets:	223,119 (443,393)	1,610,904 (1,028,656)
Cash received from investments Cash paid for investments Interest income received	7,134,234 (3,100,218) 809,678	24,718,908 (4,660,911) 645,573
Net cash provided by investing activities	4,623,420	21,285,818
Increase in cash Cash balance at beginning of year	1,730,791 455,694	455,694 —
Cash balance at end of year	\$ 2,186,485	\$ 455,694
Noncash investing, capital and financing activities Noncash expenditures in accounts payable	\$ 400,000	
noncasii experiultures iii accounts payable	\$ 400,000	_
Reconciliation of operating income to net cash provided by operating activities		
Operating income Adjustments to reconcile operating income to net cash provided by operating activities:	\$ 7,651,936	\$ 8,282,997
Depreciation Amortization of unearned revenue Amortization of prepaid energy Unearned revenue Decrease (Increase) in current receivables (Increase) Decrease in prepaid expenses and deposits Increase (Decrease) in accounts payable Decrease in accrued liabilities	19,038,667 (2,942,982) 6,583,591 - 3,437,281 (1,073,557) 297,753 (408,079)	17,736,099 (2,943,053) 6,401,268 (174,460) (3,115,993) 729,080 (1,898,334) (1,701,303)
Net cash provided by operating activities	\$ 32,584,610	\$ 23,316,301
Noncash investing, capital and financing activities Noncash expenditures in accounts payable	\$ 400,000	-

Statement of Net Position

Year ended March 31

Assets	2017	2016
Current assets: Cash Receivables Prepaid expenses and deposits Investments	\$ 2,186,485 22,326,874 6,758,251 13,407,395	\$ 455,694 25,764,155 5,684,694 13,187,121
Current portion of energy prepayment	5,724,341 50,403,346	5,724,341 50,816,005
Restricted assets: Interest receivable Investments	53,466 57,716,093	54,276 62,152,572
	57,769,559	62,206,848
Capital assets: Generation Transmission	305,845,678 84,669,469	272,753,656 84,669,469
Furniture and equipment	1,014,537 391,529,684	1,221,333 358,644,458
Less accumulated depreciation	(250,380,491) 141,149,193	(231,773,744 126,870,714
Construction work-in-progress	400,000	26,292,559
Other assets:	141,549,193	153,163,273
Energy prepayment, less current portion Deferred outflows of resources	80,344,348	86,927,938
Defeasance costs	3,581,266	3,992,923
Total assets and deferred outflows of resources	\$ 333,647,712	\$ 357,106,987
Liabilities and net position	2017	2016
Current liabilities: Accounts payable Accrued liabilities Lines of credit Current portion of unearned revenue	\$ 16,088,482 10,493,507 9,800,000 2,987,178	15,390,729 10,901,586 13,372,739 2,987,246
	39,369,167	42,652,300
Liabilities payable from restricted assets: Accrued interest payable Current portion of long-term debt	2,363,655 14,680,517	2,352,913 14,472,439
Long-term debt:	17,044,172	16,825,352
Bonds payable, less current portion Unamortized bond discount Unamortized bond premium	200,760,000 (5,153) 11,052,635	213,737,000 (7,729 12,726,728
Other liabilities:	211,807,482	226,455,999
Unearned revenue, less current portion	32,899,360	35,842,274
Deferred inflows of resources Net costs advanced through billings to Members	25,447,232	27,982,237
Net position: Invested in plant, net of debt Restricted for project costs Unrestricted	29,008,611 7,617,720 (29,546,032)	28,028,894 10,261,018 (30,941,087
	7,080,299	7,348,825
Total liabilities, deferred inflows of resources, and net position	\$ 333,647,712	\$ 357,106,987

Statement of Revenues & Expenses & Changes in Net Positions

Year ended March 31

	2017	2016
Operating revenues:		
Power sales Other	\$ 189,123,110 1,863,273	\$ 185,093,257 2,740,337
	190,986,383	187,833,594
Operating expenses:		
Cost of power	151,856,232	150,763,422
In lieu of ad valorem taxes	703,067	707,329
Depreciation	19,038,667	17,736,099
General and administrative	11,736,481	10,343,747
	183,334,447	179,550,597
Operating income	7,651,936	8,282,997
Nonoperating revenues (expenses):		
Interest expense	(7,447,198)	(7,139,046)
Investment and other income, net	276,406	460,832
Recognition of deferred costs and revenues	2,535,005	2,059,584
Total nonoperating expenses, net	(4,635,787)	(4,618,630)
Change in net position	3,016,149	3,664,367
Net position at beginning of year	7,348,824	6,758,226
Distributions to members	(3,284,674)	(3,073,769)
Net position at end of year	\$ 7,080,299	\$ 7,348,824

Project Review

HUNTER PROJECT Hunter II, part of the Hunter Station in Emery County, Utah, is a coal-fired, steam-electric generating unit with a net capacity of 446 megawatts. Hunter, jointly owned by PacifiCorp, Deseret Generation and Transmission Co-operative and UAMPS, has commercially operated since June 1980. UAMPS owns an undivided 14.582 percent interest in Unit II, representing 65 megawatts of capacity and energy.

Utah Associated Municipal Power Systems

SAN JUAN PROJECT UAMPS acquired its 7.028 percent undivided ownership interest in Unit 4 of the San Juan Station in 1994. The San Juan Station, located northwest of Farmington, New Mexico, provides 35 megawatts of capacity and energy through a coal-fired, steam-electric generating plant. Unit 4, in commercial operation since 1979, is jointly owned by the Public Service Company of New Mexico, the city of Farmington, New Mexico, M-S-R Public Power Agency, the county of Los Alamos, New Mexico, the city of Anaheim, California, and UAMPS.

INTERMOUNTAIN POWER PROJECT Intermountain Power Agency (IPA) is a political subdivision of the state of Utah organized in 1977 by 23 Utah municipalities. IPA's Intermountain Power Project includes a two-unit, coal-fired, steam-electric generating station, with a net capacity of 1,800 megawatts. The generating station is located in Delta, Utah. UAMPS acts as a scheduling agent for those members who have called-back capacity and energy from the project pursuant to the Excess Power Sales Agreement.

COLORADO RIVER STORAGE PROJECT The Colorado River Storage Project (CRSP) is federally owned and operated by the United States Bureau of Reclamation. One purpose of CRSP is the production of hydroelectric capacity and energy. The Western Area Power Administration (Western) markets and transmits CRSP power in 15 western and central states. Western has 10,000 megawatts of capacity in 56 power plants. UAMPS acts as a single purchasing agent for our members that have a firm allocation of CRSP capacity and energy that is purchased through the Integrated Contract for Electric Services.

FIRM POWER SUPPLY PROJECT The Firm Power Supply Project manages various power supplies for participating members. The project agreement provides flexible terms for the purchase and the sale of capacity and energy from multiple resources. This project includes the wind purchase from the Pleasant Valley Wind Energy Facility through Avangrid.

CENTRAL-ST. GEORGE PROJECT The focus of the Central-St. George *Project is to improve the quality and reliability of transmission service to the members* in southwestern Utah. The project includes a 345 to 138 kV Central substation, 21 miles of double circuit 138 kV transmission line from the Central substation to the St. George substation, four miles of 138 kV transmission line from the St. George substation to the 138 to 69 kV River substation, 12 miles of transmission line connecting the River substation to Hurricane City and other system upgrades. The project also own jointly with PacifiCorp 21 miles of double circuit 345 kV transmission line from Red Butte substation to St. George substation.

CRAIG-MONA PROJECT The Craig-Mona Project involves the transmission capability of two interconnected 345 kV transmission lines. UAMPS owns a 15 percent interest in the first segment, running west from Craig, Colorado to the Bonanza Power Plant in northeast Utah. UAMPS holds an entitlement to 54 megawatts of capacity in the second segment from Bonanza to an interconnection at Mona, Utah.

PAYSON PROJECT The Payson Project represents the Nebo Power Station, a 140 megawatt combined cycle gas-fired generating facility in Payson City, Utah. The facility began operating in June 2004. The facility includes a General Electric Frame 7EA gas turbine, a heat recovery steam generator, a steam turbine, condensers and a cooling tower along with related 138 kV and 46 kV electric substations and transmission lines and gas pipelines.

POOL PROJECT The Pool Project provides an hourly resource clearinghouse where UAMPS acts as agent for the scheduling and dispatch of resources including the purchase of any resources and/or reserves required to meet each member's electric system load, the sale of any member's resources which are deemed surplus to meet its electric system load and the utilization of transmission rights to effect resource deliveries to, and sales by, each member.

RESOURCE PROJECT Through the Resource Project, UAMPS conducts analyses and studies of new power supply and transmission projects. Additionally, through the project, UAMPS has developed its Smart Energy Efficiency Program, designed to lower energy demand and cut costs for both its members and the consumers they serve.

MEMBER SERVICES PROJECT The Member Services Project addresses community needs. Through the project, a wider buying base is available for equipment purchases or special services that improve service for the members' customers. Services may include educational programs, material purchases and customer satisfaction

GOVERNMENT AND PUBLIC AFFAIRS PROJECT Lobbying and the political considerations of the members who elect to participate in these actions fall under the Government and Public Affairs Project. Nationally and locally, UAMPS represents a strong political stance on issues related to electric utilities and the public power movement.

HORSE BUTTE PROJECT *UAMPS undertook the development, acquisition* and construction of a 57.6 MW wind farm comprised of 32 Vestas V-100 1.8 MW wind turbines and related facilities and equipment. Upon commercial operation, UAMPS sold the facility to a private investor which it has entered into a Power Purchase Agreement for the entire output of the farm. This structure provides UAMPS the lowest possible cost. The facility is located approximately 16 miles east of the City of Idaho Falls and commenced commercial operation on August 15, 2012. The project provides UAMPS members with a long-term supply of renewable electric energy and associated environmental attributes.

NATURAL GAS PROJECT The Project was formed in 2008 to acquire economical supplies of natural gas as fuel for electric generation. Natural gas purchases may include spot, daily, monthly or short-term and prepaid transactions.

CARBON FREE POWER PROJECT The Carbon Free Power Project is in the first phase of investigating the feasibility of a small modular reactor project using NuScale technology. The CFPP could consist of up to twelve 50 MW reactors located at the Idaho National Laboratory near Idaho Falls. The feasibility analysis includes engineering and regulatory activities to complete a site selection analysis to allow the project participants the necessary information to make a decision whether to proceed with the Construction and Operating License Application.

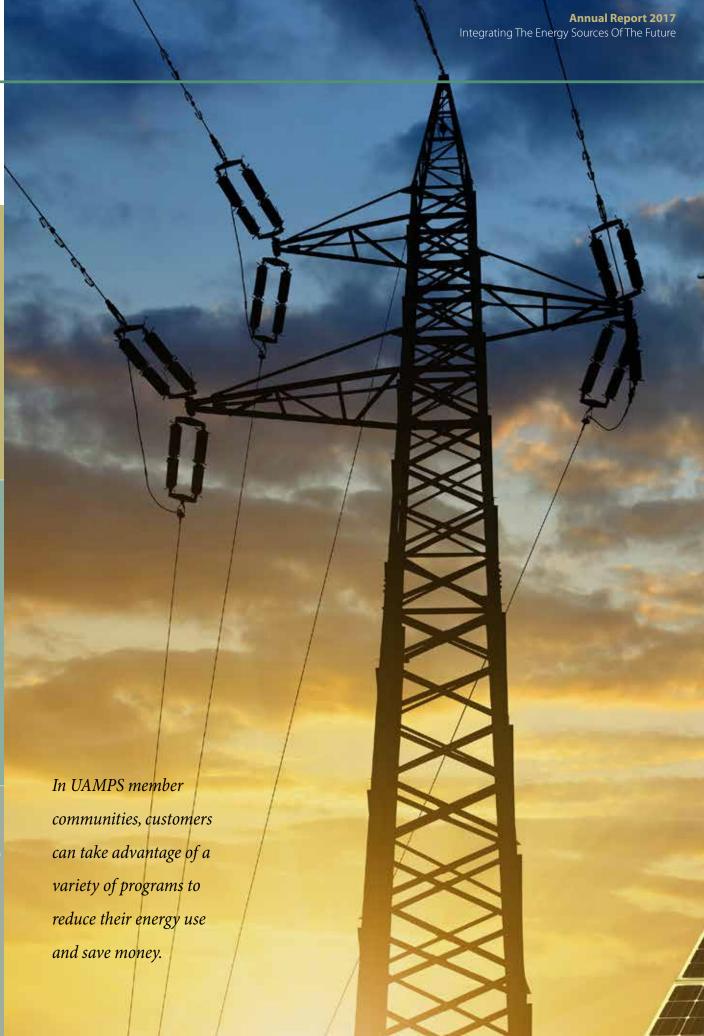
VEYO HEAT RECOVERY PROJECT The Veyo Heat Recovery Project uses waste heat to power a 7.8 MW energy recovery generation system. The Project is located adjacent to the existing Veyo Compressor Station which is owned and operated by the Kern River Gas Transmission Company. The Project began commercial operation in May 2016.

P	roject Participation	HUNTER	SAN JUAN	ddl	CRSP	FIRM POWER SUPPLY	CENTRAL – ST. GEORGE	CRAIG-MONA	PAYSON	P00L	RESOURCE	MEMBER SERVICES	GOVT. & PUBLIC AFFAIRS	HORSE BUTTE WIND	NATURAL GAS*	CARBON FREE POWER	VEYO HEAT RECOVERY
	BEAVER CITY	•	•	•	•	•				•	•	•	•	•		•	
	BLANDING CITY		•		•	•				•	•	•	•	•	•	•	
	CITY OF BOUNTIFUL		•	•	•			•		•	•	•	•			•	
	BRIGHAM CITY				•	•				•	•	•	•	•		•	
	CENTRAL UTAH WATER CONSERVANCY DISTRICT				•							•	•				
	CITY OF ENTERPRISE	-	•	•	•	•	•	•		•	•	•	•	•		•	
	EPHRAIM CITY	-		•	•	•		•	•	•	•	•	•	•		•	
	FAIRVIEW CITY	-		٠	•	•			•	•	•	•	•	•	-	•	
	CITY OF FALLON, NV					•				•	•		•	•		•	
	FILLMORE CITY	-	•	•	•	•				•	•	•	•	•		•	
	CITY OF GALLUP, NM									•		•					
	HEBER LIGHT AND POWER	-		•		•		-		•	•	•	•	•		•	
	HELPER CITY									-							
	HOLDEN TOWN	-		•	-	•				•	•	•	•			-	
	HURRICANE CITY	-				•	•			•			•			•	
	HYRUM CITY		•	•		•				•			•			•	
	IDAHO ENERGY AUTHORITY INC., ID																
	CITY OF IDAHO FALLS, ID					•											
	KANOSH TOWN																
	KAYSVILLE CITY	-				•			•	•		•	•			•	•
	LASSEN MUNICIPAL UTILITY DISTRICT, CA																
	LEHI CITY																
	LOGAN CITY	-															
	LOWER VALLEY ENERGY, WY																
	COUNTY OF LOS ALAMOS, NM																
	MEADOW TOWN																
	MONROE CITY																
	MORGAN CITY																
	MT. PLEASANT CITY																
	MURRAY CITY																
	OAK CITY																
	TOWN OF PARAGONAH																
	PAROWAN CITY																
	PAYSON CITY			_													
	PLUMUS SIERRA RURAL ELECTRIC COOPERATIVE, CA																
	PRICE CITY					-											
	SALMON RIVER ELECTRIC COOPERATIVE, INC., ID									_			_				
	CITY OF SANTA CLARA																
	SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT	_				-	_							_	_		
	SPRING CITY															•	
	SPRINGUILLE CITY																
	TICABOO UTILITY IMPROVEMENT DISTRICT																
	CITY OF ST. GEORGE																
	TRUCKEE DONNER PUBLIC UTILITY DISTRICT, CA						_			-			-				
	WASHINGTON CITY																
	WEBER BASIN WATER CONSERVANCY DISTRICT				•	•											
	HEDER DASIN WATER CONSERVANCE DISTRICT									-		_	-				

* Payson Project is a participant in the Natural Gas Project.

Member Area Map







Utah Associated Municipal Power Systems

