

Testimony of Richard D. Moore

Mayor of Payson City, Utah

Before the

House Natural Resources Subcommittee on Water and Power Legislative

In Support of H.R. 461, the South Utah Valley Electric Conveyance Act

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Washington, D.C.

Chairman McClintock, Congresswoman Napolitano and members of the Subcommittee, I appreciate the opportunity to appear here today and testify in support of H.R. 461, the South Utah Valley Electric Conveyance Act. My name is Richard Moore and it is my privilege to serve as Mayor to the best little town in Utah, Payson City. Payson was incorporated as a city on January 21, 1853 and has a present day population of around 18,500 residents. Payson is one of the fastest growing communities in Utah.

I want to also thank Rep. Jason Chaffetz and Rep. Rob Bishop for introducing this important legislation. H.R. 461 would direct the Secretary of the Interior to convey and transfer title to those portions of the electrical distribution system that are owned by the United States, including the land on which those facilities are located. It will also provide license and use of shared power poles and access to lands where distribution facilities are

located. SESD's electrical distribution system overlaps land and system fixtures that are still owned by the United States. Consolidation of ownership and service will create an opportunity for savings that will eventually lower rates to all our customers and make the maintenance and expansion of the system more efficient.

Payson has historically been a farming community. Principal crops have been grass hay, which the pioneers found growing wild when they arrived, lucerne (alfalfa), and grains such as wheat, barley, oats, and corn; beets, potatoes, and onions and fruit such as apples and cherries. Cattle, sheep, and hogs are also raised in the area. Gradually we have attracted businesses and new industry. Over recent years, we have attracted manufacturing plants for motor homes, campers and trailers, and fiberglass boats. As the area grew and Payson needed to annex more land for homes and businesses, Payson has worked to find adequate water and electricity. Additional water will become available following the construction and Central Utah Project Bonneville Unit, which promises to deliver new supplies of water to our area when the Utah Lake System of pipelines is completed.

Electrical customers in Payson City boundaries are generally served as retail customers of Payson Power and Light Department whose mission has been to serve the residents of Payson with safe, efficient and reliable power, at the most economical cost. We receive a portion of our power over SESD distribution lines. Recently, the Payson City Council approved an inter-local agreement to integrate our city power functions with SESD. This agreement will avoid a duplication of service in the area surrounding Payson city. We have found that if we don't work together it is detrimental to the growth of the community.

SESD serves the areas outside the South Utah County cities and delivers power to us for delivery inside our city boundaries. Payson has concluded that we need to consolidate all our electric distribution operations to avoid duplication of service and capitalize on inefficiency. H.R. 461 will be a tremendous help to accomplish this goal because it will consolidate the mish mash of ownership over miles of distribution lines throughout the south county. There are costs and inefficiencies resulting from this unconsolidated patchwork quilt ownership pattern. For example, when property is annexed into Payson City, the city is required to buy out all of SESD'S facilities and pay lost revenues for 10 years and pay severance costs. After this requirement has been completed, then the developer is required to install new facilities as per Payson Power Department's standards.

By joining together and utilizing the efficiencies of employees, equipment, inventory, resource management and all other aspects of a power system optimization management plan we can reduce costs to our customers and residents. In addition, we lower costs to businesses seeking to relocate or developers planning to annex into Payson City. Consolidation will create an opportunity for future businesses to locate in Payson without expensive upfront costs. We fully support H.R. 461 as it will help us achieve these goals to stimulate growth and job creation in our area.