

SANTA CLARA CITY

Electric System

Impact Fee Facilities Plan and Impact Fee Analysis Summary

An Electric System Impact Fee Analysis has been conducted as part of Santa Clara City's Capital Facilities Plan Update, 2015. Electric system impact fees are one time charges assessed for new connections to the electric system. Impact fees are based upon the cost incurred by the City for improvement projects to address new demands placed on the City's electric system by anticipated new development. Additional information can be found in the City's 2015 Electric Capital Facilities Plan, 2016 Impact Fee Facilities Plan and 2016 Impact Fee Study Report.

Proposed Improvement Projects

The Capital Facilities Plan (“CFP”) and related Impact Fee Facilities Plan (“IFFP”) identified a total of eight (8) projects that will need to be completed during the 5-year forecast period used in the CFP, i.e., 2016 through 2020. The identified projects include a new distribution substation and a new generating station, among others. The total estimated cost to complete the CFP projects is approximately \$4.2 million in current dollars.

Project Costs that are NOT Eligible for Impact Fees

All or part of any proposed improvements which would require completion, whether future growth is experienced or not, are not eligible for recovery through impact fees. Although growth related, one CFP project was excluded from the Impact Fee Analysis (“IFA”); the new Paul Grimshaw Substation. The subject project was completed prior to the finalization of the IFA and was assumed to be funded through impact fees previously collected. All other CFP projects are considered to be needed to meet future demands placed on the system by new development.

Impact Fee Eligible Project Costs

The IFA determined that the total project cost to be recovered through impact fees is approximately \$5.4 million. These project costs are stated in future dollars and include an amount for project financing and are net of the current remaining balance in the electric Impact Fee Fund. The cost associated with only one existing facility (i.e., the new City Administration Building) was partially included in the IFA. The IFA calculated a base impact fee over two recovery periods: 5 years and 20 years. The new generating station and the City Administration Building utilized a 20-year recovery period while all other projects relied on a 5-year recover period.

Demand Placed on the Existing System by New Development

The IFA determined that the total demand placed on the existing system by new development during the 5-year period 2016 through 2020 is 3.3 megawatts; the corresponding amount for the 20-year period is 13.2 megawatts. These amounts serve as the denominator used to calculate the base impact fee for the two recovery periods. These demands are based on the assumption that system will, on average, add approximately 80 residential and 10 commercial customers annually, representing a growth rate of almost

3.0 percent per annum during the forecast period.

Proposed Impact Fees

The base impact fee calculated for each of the recovery periods and in total is shown below.

Base Impact Fee Calculation

Line No.	Description	Base Impact Fee For Recovery Periods		
		5-Years	20-Years	Total
		(a)	(b)	(c)
1	Net Impact Fee Costs to be Recovered \$	791,509	4,575,248	5,366,758
2	Future Demand Placed on Existing System kW	3,302.0	13,208.0	
3	Base Impact Fee \$/kW	239.71	346.40	586.11

To determine the total impact fee charge for a new Residential or Commercial connection added to the electric system, the above impact fees will be converted to dollars per kilovolt amperes and multiplied by the panel size of the new customer and the estimated panel utilization factor. For example, the calculation of the impact fee charge for single-phase electric service can be illustrated by the following equation:

$$Impact\ Fee\ Charge = IF_b \times PUF \times \left(PS \times \left(\frac{V}{1,000} \right) \times PF \right)$$

- Where:
- IF_b = Base Impact Fee
 - PUF = Average Panel Utilization Factor
 - PS = Panel Size (amperage)
 - V = Line-to-line Voltage
 - PF = Estimated Power Factor

The calculation of the impact fee for three phase electric service is calculated by the following:

$$Impact\ Fee\ Charge = IF_b \times PUF \times \left(\sqrt{3} \times PS \times \left(\frac{V}{1,000} \right) \times PF \right)$$

- Where:
- IF_b = Base Impact Fee
 - PUF = Average Panel Utilization Factor
 - PS = Panel Size (amperage)
 - V = Line-to-line Voltage
 - √3 = 1.732
 - PF = Estimated Power Factor

Exhibit 5 from the Impact fee study is included at the end of this summary, which shows the impact fee amounts for the various panel sizes and service types.

Jack Taylor
 Public Services Director
 2603 Santa Clara Drive
 Santa Clara, UT 84765

RE: CERTIFICATION OF THE IMPACT FEE FACILITIES PLAN BY CONSULTANT

Dear Mr. Taylor,

In Accordance with Utah Code Annotated, § 11-36-201(6)(b), Rick Hansen, on behalf of Intermountain Consumer Professional Engineers, Inc., makes the following certification.

I certify that the Impact Fee Facilities Plan:

1. includes only the costs of public facilities that are:
 - a. allowed under the Impact Fees Act; and
 - b. actually incurred; or
 - c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
 - a. costs of operation and maintenance of public facilities;
 - b. costs for qualifying public facilities that will raise the level of service for facilities, through impact fees, above the level of service that is supported by existing residents;
 - c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement;

CERTIFIED BY:

Signature: *Ricky L. Hansen*

Name: Rick Hansen

Title: ICPE, Senior Engineer

RE: CERTIFICATION OF THE IMPACT FEE ANALYSIS BY CONSULTANT

Dear Mr. Taylor,

In Accordance with Utah Code Annotated, § 11-36-201(6)(b), Robert E. Pender, on behalf of R. E. Pender, Inc., makes the following certification.

I certify that the Impact Fee Analysis:

1. includes only the costs of public facilities that are:
 - a. allowed under the Impact Fees Act; and
 - b. actually incurred; or
 - c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
 - a. costs of operation and maintenance of public facilities;
 - b. costs for qualifying public facilities that will raise the level of service for facilities, through impact fees, above the level of service that is supported by existing residents;
 - c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement; and
3. offsets costs with grants or other alternate sources of payment; and
4. complies in each and every relevant respect with the Impact Fees Act.

CERTIFIED BY:

Signature  _____

Name: Robert E. Pender, ASA

Title: President

Santa Clara City
Impact Fee Analysis

Summary of Charges For Residential & Commercial Customers
Current and Proposed Impact Fees

Line No.	Description / Panel Rating	Current Impact Fee	Proposed Impact Fee
		(a)	(b)
1	Base Impact Fee (\$ per kW)	\$ 773.00	\$ 586.11
2	Assumed Panel Utilization Residential		15.0%
3	Commercial		17.5%
4	Assumed Power Factor Residential		90%
5	Commercial		85%
	Impact Fee Charge for Applicable Panel Size		
	<u>Residential (120/240, 1 phase)</u>		
6	200 Amp	4,739	3,798
7	400 Amp	5,529	7,596
8	600 Amp		11,394
9	800 Amp		15,192
	<u>Commercial (120/240, 1 phase)</u>		
10	200 Amp	3,339	4,185
11	400 Amp	6,679	8,370
12	600 Amp	10,018	12,554
	<u>Commercial (120/208, 3 phase)</u>		
13	200 Amp	5,013	6,282
14	400 Amp	10,025	12,563
15	600 Amp	15,038	18,845
	<u>Commercial (277/480, 3 phase)</u>		
16	200 Amp	11,568	14,496
17	400 Amp	23,123	28,992
18	800 Amp	46,270	57,985
19	1200 Amp	69,405	86,977