



United States Department of the Interior  
NATIONAL PARK SERVICE  
1849 C Street, N.W.  
Washington, D.C. 20240

IN REPLY REFER TO:

NGV - 2 2010

(2410)

Memorandum

To: Regional Concession Chiefs  
Parks with Concession Operations

From: Chief, Commercial Services Program *[Signature]*

Subject: Recovery of National Park Service (NPS) Utility Operating Cost Charges from Non-NPS Commercial Services Users

It is the policy of the NPS to recover operating costs for use of NPS utilities by non-NPS users. This policy was established in Special Directive 83-2 (Revised), Rates for NPS-Produced Utilities issued on June 20, 1985. Non-NPS users may include commercial services such as concessioners, commercial use authorization (CUA) operators, and lessees. Utilities include such things as water, sewer, solid waste, electricity, and heating services that are supplied by the NPS.

Recent surveys conducted to support the development of a new Director's Order (DO) 35B, Sale of NPS Utilities (DO #35B), revealed that, at some locations, NPS utility operating costs were not being appropriately charged by parks to non-NPS users using the utilities. It is important to appropriately apply these changes in order to recover NPS operating costs and also to properly set rates for visitor services.

Park commercial services managers should work closely with their facility management divisions to ensure that utility use is accurately monitored and that costs are accurately calculated and appropriately apportioned to users in accordance with Special Directive 83-2.

Current policy established in Special Directive 83-2 is that concessioners are permitted to pass through utility costs that exceed comparability. Procedures to pass on these costs are provided in the July 7, 2010, Concession Management Rate Administration Guide and NPS-48, Chapter 18, Section F. Park commercial services managers should also ensure that utility comparability studies and rate pass-through approvals are correctly done for their concession operations.

As noted above, the NPS is currently developing DO #35B on the Sale of Utilities. This DO may modify NPS utility rate setting processes. However, the procedures in Special Directive 83-2 apply until superseded by this or other policy.

If you have any questions about these utility policies and their applicability to commercial services, please contact Lora Farabaugh, of the Commercial Services Program, at 303/987-6903.