

RESOLUTION 9-2011

At a regular meeting of the Board of Directors ("Board") of Empire Electric Association, Inc. ("Empire"), held at its office and principal place of business in Cortez, Colorado, on November 18, 2011, there being a quorum present, the following resolution was proposed and after being put to vote was unanimously adopted, said resolution being in words and figures as follows, to-wit:

WHEREAS, Tri-State Generation & Transmission Association ("Tri-State") (Empire's wholesale power provider) notified Empire of a 5.85 percent increase in the demand component of the wholesale rate and a 4.09 percent increase in the energy component of the wholesale rate effective January 1, 2012; and

WHEREAS, Empire's Staff prepared and presented the 2012 budget ("Budget") to the Board on November 18, 2011, which incorporated a 5 percent increase in energy charges for residential and small commercial classes, a 4.26 percent increase in demand and a 6.09% increase in energy for the large power class, and a 11.43 percent increase in the basic charge for all other classes that have a basic charge component; and

WHEREAS, the Budget recognizes that current rates are inadequate to meet the Board's objectives and will require an increase in retail rates of approximately 6.3 percent; and

WHEREAS, the proposed rates will meet the following Board objectives:

1. Incorporate a January 1, 2012 increase in the cost of purchased power from Tri-State;
2. Complies with Board Policy 20 (Rate Design) and Board Policy 23 (Financial Goals);
3. Clean up of several non-material tariff issues.

NOW, THEREFORE BE IT RESOLVED, that notice be given to the Rural Utilities Service, National Rural Utilities Cooperative Finance Corporation, and members and customers of Empire in Colorado and Utah of the proposed rate adjustments as reflected in and supported by the Budget for implementation as soon as January 1, 2012.

BE IT FURTHER RESOLVED, to modify specific Tariffs to permit the following:


1. Residential Service - Colorado and Utah:
  - a. Increase the energy charge from \$0.10734 to \$0.11271/kWh per month
  - b. Increase the basic charge from \$17.50 to \$19.50 for residential service
  - c. Increase the basic charge from \$33.50 to \$37.35 for three phase service
2. Residential & Commercial Time of Use - Colorado and Utah:
  - a. For both Residential & Commercial Time of Use Tariffs, increase the energy off-peak charge from \$0.047 to \$0.04935/kWh per month
  - b. For both Residential & Commercial Time of Use Tariffs, increase the energy on-peak charge from \$0.172 to \$0.1806/kWh per month
  - c. Increase the basic charge for residential single phase from \$22.50 to \$25.10
  - d. Increase the basic charge for commercial three phase from \$38.50 to \$42.90
3. Commercial - Colorado and Utah:
  - a. Increase the energy charge from \$0.10734 to \$0.11271/kWh per month
  - b. Increase the basic charge from \$17.50 to \$19.50 for single phase service
  - c. Increase the basic charge from \$33.50 to \$37.35 for three phase service

4. Industrial – Large Power - Colorado and Utah:
  - a. Increase the first 200 kWh/kW energy block from \$0.09671 to \$0.10260
  - b. Increase the second 200 kWh/kW energy block from \$0.07098 to \$0.07531
  - c. Increase the last energy block from over 400 kWh/kW at \$0.03792 to \$0.04023
  - d. Increase the basic charge from \$191.25 to \$231.15
  - e. Increase the demand per kW for secondary service from \$6.15 to \$6.41
  
5. Industrial Large Power Coincident Demand Service - Colorado and Utah
  - a. Increase the energy charge from \$0.03614 to \$0.03834 per kWh per month
  - b. Increase the basic charge from \$243.75 to \$271.65
  - c. Increase the cooperative CP kW per kW from \$24.74 to \$25.79
  - d. Increase the NCP Demand Charge from \$6.15 to \$6.41
  
6. Security Lighting - Colorado and Utah:
  - a. Increase 175 W Mercury Vapor from \$16.27 to \$16.89 per month
  - b. Increase 100 W High Pressure Sodium from \$11.77 to \$12.30 per month
  - c. Increase 250 W High Pressure Sodium from \$23.23 to \$24.11 per month
  
7. Street Lighting - Colorado and Utah:
  - a. Increase 175 W Mercury Vapor from \$174.48 to \$181.08 per year
  - b. Increase 400 W Mercury Vapor from \$355.32 to \$368.88 per year
  - c. Increase 100 W High Pressure Sodium from \$132.96 to \$138.00 per year
  - d. Increase 250 W High Pressure Sodium from \$264.12 to \$274.20 per year
  - e. Increase 100 W High Pressure Sodium (security) at \$142.20 to \$147.60 per year
  
8. PV/Wind Renewable Energy Generation – Colorado and Utah
  - a. Delete this tariff as it has never been utilized and is superseded by Net Metering Tariff (16).
  
9. Renewable Energy – Colorado and Utah:
  - a. Delete language in the R 15 Rate limiting consumers to 200% of their average annual usage.
  - b. Delete language indicating that the cooperative will attempt to match the amount contributed by the member to a percentage of their actual usage.
  - c. Consumers will simply elect to purchase a flat amount of renewable resources.

WITNESS THE HAND AND SEAL of the Officers of Empire Electric Association, Inc., on this 18th day of November 2011.

  
William C. Bauer, President

SEAL

  
Sue McWilliams, Secretary