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State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Marlin H. Barrow, Technical Consultant

Date: May 18, 2012

Subject: Garkane Energy's Revised Rate Schedules - Docket No. 12-028-T01

ISSUE:

On April 12, 2012, Garkane Energy Cooperative, Inc., (Garkane) filed with the Utah Public Service Commission, (Commission) new Rate Schedules. On April 19th the PSC issued an Action Request to the Division of Public Utilities (Division) to investigate the tariff filing. In the course of that investigation, the Division discovered additional material that needed to be filed. On May 8th, the Division requested a delay until May 25th in the response time on the Action Request. On May 11th, the PSC granted that request.

RECOMMEND ACKNOWLEDGEMENT:

The Division recommends the Commission acknowledge Garkane's revised rate schedules, with an effective date of July 1, 2012, and make them available for public inspection.

DISCUSSION:

On April 12, 2012, Garkane filed with the Commission fifteen (15) revised rate schedules with an effective date of July 1, 2012. The revised rate schedules reflect

rate increases for all schedules. However, in the original filing, Garkane inadvertently omitted a revised paragraph #63 to their Rules and Regulations changing the interest rate on all deposits made by customers to secure payment of bills from 6% to 3% per annum. Garkane filed that revised paragraph #63 on May 17, 2012.

The following table compares the monthly charges and rates in the July 1, 2012 residential rate schedules from the current monthly charges and rates for these residential areas.

RESIDENTIAL RATES EFFECTIVE 7-1-12						
	Hildale	% Chg	Kanab	% Chg	Other	% Chg
Base Rate	\$ 12.50	0.00%	\$ 17.00	21.43%	\$ 17.00	21.43%
First 1,000 kWh	\$ 0.1064	0.00%	\$ 0.0780	2.63%	\$ 0.0720	2.86%
Over 1,000 kWh	\$ 0.1064	0.00%	\$ 0.0650	6.56%	\$ 0.0590	7.27%

CURRENT			
	Hildale	Kanab	Other
Base Rate	\$ 12.50	\$ 14.00	\$ 14.00
First 1,000 kWh	\$ 0.1064	\$ 0.0760	\$ 0.0700
Over 1,000 kWh	\$ 0.1064	\$ 0.0610	\$ 0.0550

Pursuant to 54-4-1.1 of the Utah Code, Garkane's Board of Directors approved these new rates at their regularly scheduled board meeting held on March 26, 2012. A public hearing is scheduled for June 25, 2012 at 1:00 p.m. at Garkane's business office in Hatch, Utah to discuss the changes to members.

The Division recommends the Commission acknowledge the new Rate Schedules and revised paragraph #63 to their Rules and Regulations of Garkane Energy Cooperative, Inc., effective July 1, 2012, and make them available for public inspection.

Cc: Carl Albrect, CEO, Garkane Energy Cooperative, Inc.

Marialie Martinez, DPU Customer Service

Michele Beck, OCS

Mike Peterson, Director, Utah REA