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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
Marlin H. Barrow, Technical Consultant
Artie Powell, Manager

Date: October 10, 2012

Subject: Action Request in Docket 12-031-T05, Mt Wheeler Power Co. Inc.

ISSUE:

On September 12, 2012, Mt. Wheeler Power Co. Inc (Mt. Wheeler) submitted to the Utah Public Service Commission (Commission) for acknowledgement Rate Code R Residential Service, Rate Code H-2 Electric Heat Service, Rate Code H-1 (I) Independent Electric Heat Rate, Rate Code GS General Service, Rate Code GS-CH General Service Churches, Rate Code NM Net Metering Service, Rate Code LGS AE Large General Service All Electric, Rate Code LGS-C Large General Service Commercial, Rate Code LGS-CH Large General Service Churches, Rate Code LGS-OP Large General Service Off-Peak, Rate Code OLS Outdoor Lighting Service, Rate Code SL Street Lighting, Rate Code I-KWH Irrigation Service KWH, Rate Code I-OP Irrigation Service Off-Peak, Rate Code I Irrigation Service and Rate Code H-I Electric Heat Service. On September 26, 2012, the Commission issued an Action Request to the Division in this matter. This is the Division's response to that Action Request.

RECOMMEND ACKNOWLEDGEMENT:

The Division recommends the Commission acknowledge Mt. Wheeler's revised rate schedules as listed above with the effective date of October 1, 2012.

DISCUSSION:

Pursuant to Utah Code 54-7-12-(6), Mt. Wheeler’s management has filed with the Commission, the above revised rates schedules.

The following is a comparison of the changes in annual costs in rate schedules H2 and H1 for electric heat.¹

HEAT RATE COMPARISONS FOR A YEAR (RESIDENTIAL)						
OLD RATES						
Line No.	MONTH	(ENTER BELOW)		(ENTER BELOW)		
		MAIN KWH	MAIN	SUB HEAT	Single Meter	W/Sub Meter
		Metered	NET KWH	KWH	H-2	H-1
1	TOTALS	31,490	29,350	2,140	\$1,819.90	\$1,993.45
2	AVG KWH/MO	2,624	2,446	178		
3	AVG COST/MO				\$151.66	\$166.12
4	AVG COST/KWH				\$0.0578	\$0.0633
5	PROPOSED 10.12					
Line No.	MONTH	(ENTER BELOW)		(ENTER BELOW)		
		MAIN KWH	MAIN	SUB HEAT	Single Meter	W/Sub Meter
		Metered	NET KWH	KWH	H-2	H-1
10	TOTALS	31,490	29,350	2,140	\$1,906.32	\$2,035.46
11	AVG KWH/MO	2,624	2,446	178		
12	AVG COST/MO				\$158.86	\$169.62
13	AVG COST/KWH				\$0.0605	\$0.0646
14	Change Percentage				4.75%	2.11%
15	Best Scenario (Submeter heat moving to Single Meter)				-4.37%	
16	Worst Scenarion (Keeping the submeter)					2.11%

The comparison shows on line 14 the relative increases in the H2 and H1 electric heat rate schedules from the old rates. It also shows on line 15 the savings a customer on the H1 rate can realize by switching over to the H2 rate schedule, a desired outcome of Mt Wheeler management. (The H1 Rate Schedule uses a separate sub meter for heat).

The table below compares the changes in annual costs in the R Rate Schedule (residential non electric heat schedule). Line 16 shows a decrease in costs under the new rates.

HEAT RATE COMPARISONS FOR A YEAR (RESIDENTIAL)			
OLD RATES			
Line No.	MONTH	(ENTER BELOW)	
		MAIN KWH	Single Meter
		Metered	H-2
1	TOTALS	15,158	\$1,129.65
2	AVG KWH/MO	1,263	
3	AVG COST/MO		\$94.14
4	AVG COST/KWH		\$0.0745
HEAT RATE COMPARISONS FOR A YEAR (RESIDENTIAL)			
PROPOSED 10.12			
Line No.	MONTH	(ENTER BELOW)	
		MAIN KWH	Single Meter
		Metered	H-2
10	TOTALS	15,158	\$1,095.63
11	AVG KWH/MO	1,263	
12	AVG COST/MO		\$91.30
13	AVG COST/KWH		\$0.0723
16	Change Percentage		-3.01%

¹ Schedules and analysis provided by Mt. Wheeler Electric Coop.

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

CC: Randy Ewell, General Manager, Mt. Wheeler Power Co.

Marialie Martinez, DPU

Mike Peterson, Director Utah REA

Michele Beck, OCS