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"The Power of Friendly Service"

February 1, 2013

Utah Public Service Commission Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84145-0807

To whom it may concern:

Enclosed you will find a "revised" copy of Dixie Escalante's revised retail electric rates. These rates were approved by the Board of Directors and presented at member meetings on June 5th at the Elementary School in Beryl and on June 6th at the Dixie Convention Center in St. George with an original effective date of July 1, 2012. These rates included an annual wholesale power cost adjustor clause, which Dixie is implementing effective February 1, 2013.

The 2012 average wholesale power cost measured in cents per kWh was \$.0342. The 2011 average wholesale power costs measured in cents per kWh was \$.0328 with the difference being an increase of \$.0014 year over year. To keep retail rates simple, we have determined that the Cooperative will not have any retail rate change unless the year over year rate difference is at least \$.0005 per kWh and any adjustment will be rounded to the nearest \$.0005 per kWh.

So, beginning on the February member billings, and in connection with the wholesale power cost adjuster procedure, the retail energy rates will increase by \$.0015 per kWh. For the Residential rate, that will take the energy charge of \$.052 per kWh up to \$.0535 per kWh, which is what the first block rate was prior to the July 2012 rate increase. The Small Commercial energy rate will increase from \$.047 per kWh to \$.0485 per kWh and the Large Commercial energy rate will go from \$.022 to \$.0235 per kWh. The irrigation energy rates will be increased by \$.0015 per kWh on the second block energy rate and not the first block energy rate due to that rate being representative of a demand charge equivalent. All other retail rate provisions will remain the same including the customer charge and demand charge if applicable.

If you have further questions, please call me at (435) 439-5311. Also, if you will e-mail me at <u>ladell@dixiepower.com</u> we will send you an electronic version of these rates.

Sincerely;

DIXIE ESCALANTE RURAL ELECTRIC ASSN.

LaDel Laub

LaDel Laub, President and CEO

Enclosure