



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  
Doug Wheelwright, Technical Consultant  
Eric Orton, Utility Analyst

Date: May 11, 2015

**Subject:** Garkane Energy Cooperative, Inc. Docket No. 15-028-T02

In the Matter of Changes to Rate Schedules for Garkane Energy Cooperative, Inc.

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### RECOMMENDATION

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge Garkane Energy Cooperative, Inc. (Garkane)'s changes to its tariff Schedules, and make them available for public inspection.

### BACKGROUND

In Garkane's filing, it stated that on March 30, 2015 Garkane's board approved many changes to its rate schedules and made them effective one month later (April 30, 2015). The changes to the tariff language were extensive and as a result, the Company submitted a complete new tariff. Garkane's customers/members were notified of the changes by

mail on April 1, 2015. Garkane filed notification of these changes to its Tariff Schedules with the Commission on April 24, 2015. On that same day the Commission issued an Action Request to the Division to investigate this notification. This is the Division's response to that Action Request.

## **ISSUE**

Garkane is changing all of its tariff schedules except one (SC – Impact Fees & Service Charges). The changes seem to be based on the following general themes.

- Increases in Base Rates, per kWh rates, Minimum bill, Energy Charge, and Demand Charge
- Modified and Standardized tariff language in Payment Terms, Types of Service, Conditions for Service, On-Peak and Off-Peak Energy Charge, Special Power Adjustment Charge, and Power Factor Adjustment
- Kanab City contract termination: A contract with Kanab City is ending in August 2016. Garkane will be moving these customers/members to other rate schedules as well as removing Kanab's Street lighting tariff.
- Hildale City: Garkane will correlate the Hildale rates (both in timing and amount) to those of Colorado City, Arizona.

## **DISCUSSION**

The Division has reviewed Garkane's filing, attached tariff sheets and has spoken with Garkane's representative. The filing documents and tariff schedules appear to comply with the intended results of the cooperative's board.

- The increases in the rates are in the Residential; Irrigation, General Service, Large Power, Street & Security Lighting, Time of Day, and Net Metering Schedules often with several changes in each schedule, but there is no uniform overall rate increase.
- The modification and standardization of the tariff language will provide more uniformity with other Garkane tariff schedules and current practices.
- The filing did not disclose any particulars of the contract termination with Kanab, but Garkane will continue to offer service to all its current customers/members except Kanab City itself after August 2016.

- In an effort to consolidate its efforts and standardize its work, Garkane added paragraph language that stipulates that after Arizona's rates are approved, all of Hildale's schedules will be updated to equal those of Colorado City, Arizona.

## **CONCLUSION**

The Division recommends that the Commission acknowledge Garkane's changes to its tariff Schedules with an effective date of April 30, 2015, and make them available for public inspection.

Cc: Marcus Lewis, Garkane Energy Cooperative, Inc.  
Maria Wright, Division of Public Utilities, Customer Service  
Michele Beck, Office of Consumer Services  
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