



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT.
Governor
SPENCER J. COX
Lieutenant Governor

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: October 8, 2015

Subject: Action Request in Docket 15-036-T01, Wells Rural Electric Company

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge the changes to the Wells Rural Electric Company (Wells) tariff with an effective date of October 1, 2015 and make them available for public inspection.

BACKGROUND

In Wells' board meeting on September 15, 2015, these new tariff rates were approved. Wells notified its customers of the proposed rate changes through direct mail sent to all members on August 25, 2015. On three separate dates and places Wells held board meetings to discuss the rate changes and receive member input and comments. The meetings were held; September 1, 2015, in Wells Nevada, September 2, 2015, in Carlin Nevada and September 3, 2015, in Wendover Nevada/Utah. Members were invited to these meetings to address the proposed rate

increase. One person attended one meeting but spoke on a different topic so no one addressed the rate changes.

On September 25, 2015 Wells submitted the revised tariff pages to the Commission for acknowledgement. On September 28, 2015, the Commission issued an Action Request to the Division directing it to perform an investigation. This is the Division's response to that Action Request.

ISSUE

According to Wells, the rate increase is necessary because of "increased purchased power expense from Bonneville Power Administration." The rates from Bonneville to Wells are increasing by 6.82%.

DISCUSSION

The Division has reviewed Wells' filing, attached tariff sheets and has communicated with a Wells representative. The new tariff sheets generally show a higher rate for most members. The increased rates represent \$4.36 per month or 4.64% to the average Wells member.

According to Utah Code (54-3-3) and Commission Rule (R 746-405-2-E.2) the effective date of tariff changes should be no sooner than 30 days after the date that notice is filed with the Commission and the public. The proposed tariff changes should have been filed with the Commission sometime prior to September 1, 2015, (no sooner than 30 days before October 1, 2015). This did not happen with this filing. It was filed five days prior to official implementation but effectively 15 days prior to implementation for Utah members according to a Wells representative. The lack of the 30 days' notice is not uncommon with electric co-op tariff filings in Utah.

Wells communicated with the Division that, although the proposed rates will be effective October 1, 2015, that the new rates for Utah members wouldn't be implemented until October

10, 2015, on bills mailed out on or around November 10, 2015. It is the Division's position that Wells members in Utah were given sufficient notice of the increases through the direct mailing from Wells and should not be adversely affected by Wells not strictly adhering to the statute requiring Wells to provide the tariff sheets to the Commission 30 day prior to the rates becoming effective. Therefore, given the circumstances of this filing the Division is of the opinion that if Wells had filed its tariff sheets with the Commission 30 days before the proposed rate change went into effect, it would not have had a material impact on its Utah customers. It should be noted that also contained in Utah Code (54-3-3) "The Commission for good cause shown may allow changes, without requiring the 30 days' notice herein provided for, by an order specifying the changes so to be made, the time when they shall take effect and the manner in which they shall be filed and published." Therefore, the Commission can accept tariff changes without the proper 30 days' advance filing.

Utah Code 54-7-12 C requires the filing company to hold its public meetings and to notify its members at least ten days prior to the meeting where the board makes the final decision. Wells held its public meetings as required and mailed a notice to its members/customers not less than ten days prior to the date of the board hearing.

CONCLUSION

The Division recommends the Commission accept the tariff changes with the effective date of October 1, 2015, in spite of its inadequate Commission notice, and make them available for public inspection.

CC: Buddy Welsh, General Manager, Wells Rural Electric Company

Maria Wright, Division of Public Utilities

Mike Peterson, Director Utah Rural Electric Association

Michele Beck, Office of Consumer Services