



**MOON LAKE ELECTRIC**

ASSOCIATION · P.O. BOX 278 · 800 WEST HWY 40 · ROOSEVELT, UTAH 84066 · 435-722-5400

UTAH PUBLIC  
SERVICE COMMISSION

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February 11, 2016

Docket No. 16-030-T01

Utah Public Service Commission  
Gary Widerburg/Commission Administrator  
Heber M Wells Building  
160 East 300 South  
Salt Lake City Utah 84114

Mr. Widerburg,

After approximately 33 years, Moon Lake Electric Association, Inc. (MLEA) finds it necessary to raise rates on all tariff customers in their service area located in Northeastern Utah and Northwestern Colorado. We have been fortunate to hold rates steady for a variety of reasons over the many years. Those reasons have included a thriving economy with good growth and a favorable power market regarding non-member sales of power from our G&T.

The past few years we have received various rate increases from our power suppliers, Deseret Generation and Transmission and Western Area Power Administration. We have been able to absorb these increases primarily due to the growth and the differential between the retail rate and the cost of power. Deseret implemented an 8% rate increase on Jan 1, 2015 and is planning an additional 8% increase in July of this year. The increases from Deseret are primarily a result of requirements placed on them from the Federal Environmental Protection Agency regarding the operation of a coal fired power plant.

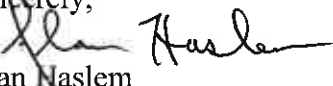
Due to the reduction in the price of oil and gas our service area is experiencing a downturn in the economy causing Moon Lake's load projection for 2016 to basically be flat with no growth. Our budget projection for 2016 with no rate increase results in a net loss of (\$138,387). Also, during the years of high growth, our focus was on constructing facilities to new services and we set some of the needed maintenance aside. Therefore it is expedient that we invest capital in maintaining the existing system to insure capacity and reliability.

On Jan 20, 2016 Moon Lake's Board of Directors voted to pursue a tariff rate increase based on the following changes listed in the attached exhibit. Moon Lake plans to mail a newsletter to each member during February explaining the reason for the increase. The newsletter will list the changes and notify the members of public hearings to be held in Rangely, Colorado on March 8, 2016, and in Roosevelt, Utah on March 9, 2016. We will also publish notice in the local papers two weeks in advance of the hearings.

Following the public hearings then Moon Lake's Board will vote on the final outcome of the rate changes. These changes are planned to be implemented on bills mailed out after May 1, 2016.

Thank you for your consideration and help as we move forward with this request. Please let me know if you have any questions or if additional information is needed.

Sincerely,



Alan Naslem

Manager of Finance/CFO

Moon Lake Electric Association, Inc.

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