



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: April 14, 2016

Subject: Moon Lake Electric Association, Inc. Docket No. 16-030-T01 FINAL  
UPDATED TARIFF SHEETS

In the Matter of the Revisions to Moon Lake Electric Association, Inc.'s Retail Electric Rates

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### **RECOMMENDATION**

The Utah Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) accept Moon Lake Electric Association, Inc.'s (Moon Lake) final updated tariff sheets and make them available for public inspection.

### **BACKGROUND**

On January 20, 2016, Moon Lake's Board of Directors voted to pursue a tariff rate increase. Moon Lake mailed a newsletter to its members in February 2016 explaining the reasons for the proposed increase. Included in that letter was a notification of public hearings that addressed this proposed rate increase. The hearings were held in Rangely, Colorado on March 8, 2016 and in Roosevelt, Utah on March 9, 2016 where fifteen members attended. A notice of the meeting was also published in local papers two weeks prior to the hearing. Moon Lake's Board of Directors made its final vote approving the

new rates following the public meetings. These new rates will be included on the bills mailed out to members after May 1, 2016.

Moon Lake sent notification of these proposed changes to the Commission on February 11, 2016. On February 17, 2016 the Commission issued an Action Request to the Division to investigate the notification. On February 25, 2016 the Division responded to that Action Request. On March 9, 2016 the Commission notified Moon Lake that it accepted the filing. On April 11, 2016 Moon Lake notified the Commission that its board had approved the rate increase. Also, on April 11, 2016 the Commission issued its Action Request to the Division requesting it to “provide analysis, evaluation results, and the basis for conclusions and recommendations regarding” its investigation. This is the Division’s response to that Action Request.

## **ISSUE**

Moon Lake’s customers were given ample notification of the proposed rate changes as specified in Utah Code 54-3-3 and 54-4-1.1. Also, the Commission was notified at least 30 days prior to the proposed effective rate change as required by Commission Rule (R 746-405-2-E.2) and Utah Code 54-3-3. The Division believes that Moon Lake has complied with Commission rule and Utah Code prior to implementing the rate changes.

## **DISCUSSION**

This rate increase is quite high; 24.9% for the Residential class and 16.4% overall. According to Moon Lake it has not raised its rates for nearly 33 years. However, even with this rate increase it projects that rates will be at \$.078 per kWh or less for all classes.

## **CONCLUSION**

Moon Lake followed through on its commitments made in its February 11, 2016 letter to the Commission. Likewise, Moon Lake notified the Commission by letter once its public meetings were held but prior to the requested effective date. In its last Action Request response, the Division requested finalized tariff sheets following the board vote and the

revised tariff sheets have been provided in this filing. The Division therefore, recommends that the Commission accept Moon Lake's updated tariff sheets and make them available for public inspection.

Cc: Alan Haslem, Manager of Finance/CFO, Moon Lake Electric Association, Inc.

Maria Wright, DPU Customer Service

Michele Beck, Office of Consumer Services

Mike Peterson, Director, Utah REA