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Department of Commerce Division of Public Utilities

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Action Request Response

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Justin Christensen, Utility Analyst

Date: January 29, 2020

Re: **Docket No. 20-066-T01,**

Dixie Escalante Rural Electric Association revised tariff sheets.

Recommendation (Acknowledge)

The Utah Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) acknowledge Dixie Escalante Rural Electric Association, Inc.'s (Dixie) changes to its Retail Electric Rate tariff, and make them available for public inspection.

Issue

Since the original notification to the Commission of Dixie's wholesale power cost adjuster clause in 2013, Dixie's customers were given ample notification of these proposed rate changes as specified in Utah Code 54-3-3 and 54-4-1.1. In the same filing, 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 Dixie's original "annual wholesale power cost adjuster clause" approved by the board in 2012 complies with Commission

rule and Utah Code by notifying the Commission and customers at least 30 days prior to implementing any such rate change.

The relevant clause in Dixie's tariff states: "WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Association's cost of purchased power. The above rates are subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures."

Background

Dixie's Board of Directors first approved this annual wholesale power cost adjustment in a board meeting held on June 5, 2012. Notice was mailed out on May 23, 2012 and discussed in public meetings held at the Beryl Elementary School on June 5, 2012 and the Dixie Convention Center in St. George on June 6, 2012. In its filing on February 1, 2013 Dixie notified the Commission that "These rates included an annual wholesale power cost adjustor clause, which Dixie is implementing effective February 1, 2013." The Division recommended approval of those tariff sheets and the Commission acknowledged them on March 1, 2013.

This current filing notifies the Commission of the rate change based on this "annual wholesale power cost adjuster clause." Dixie's board will make this rate change effective February 1, 2020. Dixie filed notification of these changes with the Commission on January 22, 2020. On that same day the Commission issued an Action Request to the Division to investigate the notification stating that it was due A.S.A.P. This is the Division's response to that Action Request.

Discussion

On January 22, 2020 Dixie filed with the Commission its revised retail electric rate schedules. In Dixie's attached letter to the Commission it states that these decreased rates reflect (\$.0005) decrease in the retail energy rates. Dixie previously determined to keep retail rates simple by not implementing rate changes unless the year-over-year rate difference is at least \$.0005 per kWh and that any rate adjustment would be rounded to the nearest \$.0005 per kWh. In 2019 the

average wholesale power cost was \$.0400 whereas for 2018 the cost was \$.0407 per kWh, which results in a year over year decrease of \$.0007 per kWh. This is greater than the threshold mentioned above.

The decreases in Dixie's rates per kWh are as follows:

<u>Title</u>	<u>Old Rate</u>	<u>New Rate</u>
Residential Energy Rate	\$.0600	\$.0595
Small Commercial Energy Rate (0-60 amps)	\$.0600	\$.0595
Small Commercial Energy Rate (50 kW max)	\$.0550	\$.0545
Large Commercial Energy Rate	\$.0300	\$.0295
Off-Peak	\$.0300	\$.0295
Irrigation Energy Rate (over 100 kWh's per H.P.)	\$.0491	\$.0486
Interruptible Irrigation	\$.0435	\$.0430
Utah High Density	\$.026661	\$.026161
Utah Industrial	\$.0260	\$.0255

Conclusion

The Division recommends that the Commission acknowledge the revised tariff sheets with an effective date of February 1, 2020 and make them available for public inspection.

Cc: LaDel Laub, President and CEO, Dixie Escalante Electric Association.

Maria Wright, DPU Customer Service

Michele Beck, Office of Consumer Services

Jeff Peterson, Director, Utah REA