



State of Utah
Department of Commerce
Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Trevor Jones, Utility Analyst

Date: February 26, 2021

Re: **Docket No. 21-066-T02**, Dixie Escalante Rural Electric Association's Proposed
Tariff Additions.

Recommendation (Suspend)

The Utah Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) suspend Dixie Escalante Rural Electric Association, Inc.'s (Dixie) new interruptible irrigation rate and Large Commercial Time of Use rate pending customer notification and a public meeting.

Issue

Dixie notified the Commission of proposed changes to its tariffs via a letter dated February 12, 2021. The Commission issued an action request dated February 12, 2021, requesting the Division to investigate the proposed tariff changes with the Division's response due by February 26, 2021. This memorandum is the Division's response to the Commission's action request.

Background

Dixie is a non-profit, cooperative association organized January 1, 1978 as a result of a consolidation of Dixie Rural Electric Association and Escalante Valley Electric Association for the purpose of providing electric service to rural areas located in southwestern Utah and northwestern Arizona. Recently, Dixie acquired Flowell Electric Association, Inc (Flowell). Dixie's Board approved the acquisition February 5, 2020, and Flowell's Board approved the decision on February 11, 2020. The acquisition occurred on January 1, 2021.

The first proposed optional tariff is in response to acquisition discussions with Flowell. As stated by Dixie "The interruptible irrigation rate has been developed to fulfill the commitment as promised in Flowell member meetings as a part of the acquisition process. The interruptible rate is discounted at the same percentage as the interruptible irrigation rate provided in the native Dixie service area with the same operating procedures."¹

The second proposed optional tariff is a Large Commercial Time of Use rate. Dixie states it "has been developed to provide more flexibility for the Large Commercial and Off Peak tariff customers of Dixie Power, allowing for automation of metering and billing, as well as giving members the ability to take advantage of both tariffs without changing tariffs each time their business operations call for it."²

The new rates were presented, reviewed and approved by Dixie's Board on January 6, 2021 and February 3, 2021. Both rates have a proposed effective date of April 1, 2021.

Discussion

The proposed optional tariff for interruptible irrigation for the Flowell division of Dixie is a new option for Flowell customers. Flowell division customers choosing this option agree to allow Dixie to interrupt their irrigation service to help with managing peak loads. This equates to savings that are then passed on as lower electric bills.

¹ Laub, LaDel; Letter to Commission; Tariff 2-12-2021.

² Ibid.

The interruptible irrigation rate for Flowell customers is as follows:

<u>Title</u>	<u>New Rate</u>
Interruptible Irrigation Pumping Service	
Facilities Service Charge	\$40.00
Energy Charge:	
0-134 kWh's per kW (0-100 kWh's per H.P.)	\$.0845
Over 134 kWh's per kW (Over 100 kWh's per H.P.)	\$.0525

The second optional tariff rate is a combination of the Large Commercial tariff and the Off-Peak tariff into a Large Commercial Time of Use Service. It is offered in addition to the other rates already available. It simplifies the tariff for customers that have been switching back and forth between the two current rates available.

The following table compares the new optional rate to the prior two rates:

<u>Title</u>	<u>Large Com.</u>	<u>Off-Peak</u>	<u>New Rate</u>
Service Charge (per month):	\$50.00	\$50.00	\$50.00
Demand Charge (per kW per month):	\$10.00		\$5.00
For use at off-peak times		\$5.00	
For use at on-peak times		\$30.00	
Energy Charge (per kWh):	\$0.030	\$0.030	
Off Peak			\$0.030
On Peak			
All kWh's up to 20kWh/kW			\$0.300
All other kWh's			\$0.030

The new rate requires a Time of Use meter to monitor use during off-peak and on-peak periods.

The proposed Winter/Summer schedule is as follows:

Winter Schedule:	November 1 through March 31
	On-Peak: 7:00 AM through 9:00 AM
	Off-Peak: All other times not listed above
Summer Schedule	April 1 through October 31
	On-Peak: 3:30 PM through 7:30 PM
	Off-Peak: All other times not listed above

The new optional rate is clearly defined and easy to understand. The schedules and times appear to be reasonable.

Through informal discussions, Dixie indicated that its customers had not been notified of the proposed optional rates. Per Utah Admin. Code 54-4-4.1 “A wholesale electrical cooperative must, prior to implementation of any rate increase after January 1, 1984, hold a public meeting for all its customers and members. Notice must be mailed at least 10 days prior to the meeting. In addition, any schedule of new rates or other change that results in new rates must be approved by the board of directors of the wholesale electrical cooperative.”

Conclusion

The Division recommends that the Commission suspend the optional tariff sheets pending customer notification and a public meeting.

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