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To: Public Service Commission

From: Division of Public Utilities
Philip Powlick, Director
Energy Section
Artie Powell, Manager
Marlin H. Barrow, Technical Consultant

Date: December 23, 2008

Subject: Empire Electric Association, Inc. Docket No. 08-025-T01

ISSUE:

Empire Electric Association, Inc. (Empire), in accordance with Section 54-7-12-6(a),(b),(c),(d), of the Utah Code, filed with the Utah Public Service Commission (PSC), revised tariff sheets reflecting an increase in rates of 5%.

RECOMMENDATION:

The Utah Division of Public Utilities (Division) recommends the PSC acknowledge Empires' revised tariff sheets with an effective date of January 1, 2009, and make them available for public inspection.

DISCUSSION:

Tri-State Generation and Transmission, Inc., Empire's wholesale electric supplier, is increasing their rates to Empire by 4.1%, effective January 1, 2009. Empire is therefore increasing their rates by 2.9% to recover this increased cost plus another 2.1% for a general rate increase.

Empire's Board of Directors approved this increase in a board meeting held on November 21, 2008. A public meeting was noticed and held at the San Juan County Commission Chamber in Monticello, Utah on December 1, 2008 at 6:00 p.m. The only ones who showed up at the meeting were three Empire Electric employees, there to answer any questions that may arise.

The following table summarizes the dollar and percent changes for the effected rate schedules.

<u>Rate Class (average kWh monthly usage)</u>	<u>Current Charge</u>	<u>Proposed Charge (1-1-09)</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Residential (677 kWh)	\$85.78	\$90.17	\$4.39	5.12%
Residential Time-of-Use single phase (1,607 kWh)	\$130.03	\$136.53	\$6.502	5.00%
Commercial - single phase (1,228 kWh)	\$142.17	\$149.31	\$7.14	5.02%
Commercial - three phase (4,360 kWh)	\$477.70	\$501.50	\$23.80	4.98%
Large Power 108 kW @ 51% L.F., (43,429 kWh)	\$4,386.55	\$4,606.77	\$220.22	5.02%
<u>Security Lights</u>				
175 Watt MV	\$15.69	\$16.27	\$0.41	3.70%
100 Watt HPS	\$11.35	\$11.77	\$0.20	3.70%
250 Watt HPS	\$22.40	\$23.23	\$0.49	3.71%
<u>Street Lights</u>				
175 Watt MV	\$14.02	\$14.02	\$0.34	3.71%
400 Watt MV	\$28.56	\$28.56	\$0.70	3.68%
100 W HPS	\$10.68	\$10.68	\$0.26	3.75%
250 W HPS	\$21.23	\$21.23	\$0.52	3.67%
<u>Renewable Energy (Voluntary)</u>	\$ Market per 100 kWh block	No change		

The Division recommends the PSC acknowledge the revised tariff sheets and make them available for public inspection.

Cc: Neal E. Stephens, General Manager, Empire Electric Association, Inc.

Rea Petersen, DPU Customer Service

Michele Beck, CCS

Mike Peterson, Director, Utah REA