



Empire Electric Association, Inc.

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November 30, 2012

Gary Widerburg, Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South, Fourth Floor
P. O. Box 45585
Salt Lake City, Utah 84145

Dear Mr. Widerburg:

Empire Electric Association, Inc. (Empire) is enclosing herewith an original and two (2) copies of the following documents as a filing for changes in certain rates, without formal Commission hearing, as authorized under Section 54-7-12, Utah Code. Please stamp one copy "filed" and return to us for our files in the enclosed envelope. A copy is being sent to the Division of Public Utilities. We have also sent a copy of the tariffs electronically to tbehr@utah.gov. Should you need any additional information, contact our Executive Secretary Denise Rosenbaugh at denise.rosenbaugh@eea.coop.

- Copy of a public notice to be published in the San Juan Record the first week in December 2012.
- Copy of the Notice to the Rural Utilities Service and National Rural Utilities Cooperative Finance Corporation of the proposed rate changes.
- Copy of board minutes from a Special board Meeting held November 26, 2012, authorizing these rate changes.
- Copy of a letter to be included in each customer's bill beginning in December 2012.
- Copies of the following proposed rate schedules:

16 th	Revised CO-UT No. 3 Sheet 2	Index
24 th	Revised CO-UT	Residential Single Phase
New	4A&4B (replaces Small Commercial & Industrial Single Phase component– formerly Tariff No. 5)	General Service Single Phase & Three Phase
New	5A&5B (replaces Small Commercial & Industrial)	Irrigation Single and Three Phase
24 th	Revised CO-UT No. 3 Sheet 6A	Large Power Service
9 th	Revised CO-UT No. 3 Sheet 6B	Large Power Service
	Revised CO-UT No. 3 Sheet 6C	Large Power Service
24 th	Revised CO-UT No. 3 Sheet 7A	Security Lighting
8 th	Revised CO-UT No. 3 Sheet 7B	Security Lighting
23 rd	Revised CO-UT No. 3 Sheet 8	Overhead Street Lighting
New	CO-UT No. 3 Sheet 9	Power Cost Adjustment Clause

The purpose for the rate changes are to move to a more cost-based rate structure and to provide sufficient revenue for Empire's 2013 proposed budget. This includes additional revenue required to accommodate a 4.9 percent average rate increase from Empire's wholesale power supplier Tri-State

Generation and Transmission Association (Tri-State). In addition, Tri-State is restructuring their wholesale rate by moving from a conventional peak-demand/energy rate structure to a seasonally differentiated time of day all-energy rate. Some changes in rate tariffs are a consequence of Tri-State's move to an all-energy rate. Because Tri-State will no longer be charging a peak demand rate, all of Empire's time of use tariffs will be eliminated. That includes:

- Empire's Large Power Coincident Demand Service Tariff (9A-9C), and
- Empire's Time of Use Tariff (11A-11D)

Enclosed are copies of the tariffs being deleted for your records.

I have also enclosed a new Sheet 12 (Franchise Tax Surcharge) as we have always filed this in Colorado but not in Utah, and again, because we are combining our tariffs, we included this as well as Sheet 15 (Renewable Energy) and Sheet 16A – 16C Net Metering. Again, note there are no changes in these tariffs, it's an advisory filing for your records.

Table 1 - The average change (in percent) from current rates for each rate class (less Empire's large Carbon Dioxide Extraction Class) follows:

Tariff	Percent Change from Current Rates
Residential - Single Phase	0.00%
General Service - Single Phase (New) (Formerly billed under the Small Commercial and Industrial Tariff)	3.34%
General Service - Three Phase (New) (Formerly billed under the Small Commercial and Industrial Tariff)	2.88%
Irrigation - Single Phase (New) (Formerly billed under the Small Commercial and Industrial Tariff)	9.52%
Irrigation - Three Phase (New) (Formerly billed under the Small Commercial and Industrial Tariff)	5.04%
Large Power	3.02%
Large Power Coincident Demand (Deleted)	Deleted
Residential and Commercial Time of Use Tariffs (Deleted)	Deleted
Security Lighting	24.81%
Street Lighting	3.49%
Average Change for all Rate Classes	1.61 %

Table 2 - Rate comparisons by rate class follows:

Residential – Single Phase	Existing Rate (per month)	New Rate (per month)
Facilities Charge	\$19.50	\$30.73
Energy Charge (per kWh)	11.271 ¢	9.599 ¢

General Service – Single Phase	Existing Rate (per month)	New Rate (per month)
Facilities Charge	\$19.50	\$30.65
Energy Charge (per kWh)	11.271 ¢	10.755 ¢

General Service – Three Phase	Existing Rate (per month)	New Rate (per month)
Facilities Charge	\$37.35	\$51.87
Energy Charge (per kWh)	11.271 ¢	11.289 ¢

Irrigation Service – Single Phase	Existing Rate (per month)	New Rate (per month)
Facilities Charge	\$19.50	\$30.70
Energy Charge (per kWh)	11.271 ¢	11.289 ¢

Irrigation Service – Three Phase	Existing Rate (per month)	New Rate (per month)
Facilities Charge	\$37.35	\$48.90
Energy Charge (per kWh)	11.271 ¢	11.404 ¢

Industrial Large Power	Existing Rate (per month)	New Rate (per month)
Facilities Charge	\$231.15	\$231.15
Demand Charge (per kW)	\$6.41	\$10.25
First 200 kWh/kW Energy Block	10.26 ¢	
Second 200 kWh/kW Energy Block	7.531 ¢	
Last over 400 kWh/kW Energy Block	4.023 ¢	
¹ On-Peak (per kWh)		4.198 ¢
² Off-Peak (per kWh)		1.050 ¢
Purchase Power Demand – ³ Winter (⁷ per avg kW)		\$31.74
Purchase Power Demand – ⁴ Spring (per avg kW)		\$28.99
Purchase Power Demand – ⁵ Summer (per avg kW)		\$36.81
Purchase Power Demand – ⁶ Fall (per avg kW)		\$28.99

Street Lighting (Light Type)	Existing Rate (per year)	New Rate (per month)
175 Watt Mercury Vapor	\$181.08	\$15.62
400 Watt Mercury Vapor	\$368.88	\$31.82
100 Watt High Pressure Sodium	\$138.00	\$11.91
250 Watt High Pressure Sodium	\$274.20	\$23.65
100 Watt High Pressure Sodium (security)	\$147.60	

Security Lighting (Light Type)	Existing Rate (per month)	New Rate (per month)
175 Watt Mercury Vapor	\$16.89	\$21.08
100 Watt High Pressure Sodium	\$12.30	\$15.35
250 Watt High Pressure Sodium	\$24.11	\$30.10

¹ On-Peak is defined as 7:00 a.m. to 11:00 p.m. Monday through Saturday with the exception of the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. If the holiday falls on a Sunday the following Monday will be considered the holiday.

² Off-Peak is defined as 11:00 p.m. to 7:00 a.m. and all Sundays. Also New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. If the holiday falls on a Sunday the following Monday will be considered the holiday.

³ Winter Months are: December, January, and February

⁴ Spring Months are: March, April, May

⁵ Summer Months are: June, July, and August

⁶ Fall Months are: September, October, and November

⁷ Per avg KW is: kWh/Hours in the month

Table 3 - Comparison of Average kWh Monthly Charges follows:

Rate Class (average kWh monthly usage)	Current Charge	Proposed Charge	Dollar Change	Percent Change
<u>Residential</u> (672 kWh)	\$95.24	\$95.24	\$0.00	0.00%
<u>General Service</u> - single phase (1,176 kWh)	\$152.05	\$157.13	\$5.08	3.34%
<u>General Service</u> - three phase (4,363 kWh)	\$529.10	\$544.41	\$15.31	2.89%
<u>Irrigation</u> - single phase (884 kWh)	\$119.14	\$130.49	\$11.35	9.53%
<u>Irrigation</u> - three phase (2,203 kWh)	\$285.65	\$300.13	\$14.48	5.07%
<u>Large Power</u> 156 kW @ 95% P.F. (49,495 kWh)	\$5,810.03	\$5,985.43	\$175.40	3.02%
<u>Security Lights</u>				
175 Watt MV	\$16.89	\$21.08	\$4.19	24.81%
100 Watt HPS	\$12.30	\$15.35	\$3.05	24.80%
250 Watt HPS	\$24.11	\$30.10	\$5.99	24.84%
<u>Street Lights</u>				
175 Watt MV	\$15.09	\$15.62	\$0.53	3.51%
400 Watt MV	\$30.74	\$31.82	\$1.08	3.51%
100 Watt HPS	\$11.51	\$11.91	\$0.40	3.48%
250 Watt HPS	\$22.85	\$23.65	\$0.80	3.50%

To answer questions about the rate changes, a public meeting is scheduled at 6:00 p.m., Monday, December 10, 2012 at the San Juan County Commission Chamber, 117 S. Main in Monticello, Utah.

Copies of all rate tariffs are on file at Empire's headquarters at 801 North Broadway, Cortez, Colorado, and are available for inspection during regular business hours. Any customer who desires to complain about the proposed changes may file a written complaint at 801 North Broadway, P.O. Box K, Cortez, Colorado, 81321, at least 10 days before the proposed effective date.

Empire may hold a hearing to determine what final changes will be authorized. The changes ultimately authorized may or may not be the same as those proposed and may include changes different than those tariffs proposed or currently in effect. Any customer who desires to receive notice of the hearing, if any, is required to make a written request at the above address, at least 10 days before the proposed effective date of the rate increase.

Empire is a rural electric cooperative providing electricity to its members and the public in certificated service areas in southwestern Colorado and parts of San Juan County, Utah. Empire's Utah consumers currently pay the same rates as Empire's Colorado consumers.

If you have any questions, feel free to contact me anytime during business hours.

Respectfully,

EMPIRE ELECTRIC ASSOCIATION, INC.

Neal E. Stephens
General Manager

cc: Division of Public Utilities