



State of Utah
Department of Commerce
Division of Public Utilities

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UTAH PUBLIC
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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Division of Public Utilities

Chris Parker, Director *CP*

Energy Section

Artie Powell, Manager *AP*

Doug Wheelwright, Technical Consultant *DW*

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Date: April 6, 2015

Subject: Action Request Response in Docket No. 15-025-T01, Empire Electric Association, Inc.

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge the changes to the Empire Electric Association, Inc. (Empire) tariff sheets with an effective date of May 1, 2015.

BACKGROUND

On March 24, 2015, Empire held a meeting for all of its customers at 5:00 pm in the city offices in Monticello, Utah to discuss the proposed tariff changes. The main purpose of the meeting was to discuss the proposed increase for the Overhead Street Lighting rate class. This was the only rate class for which an increase was proposed. Copies of the Notice were also sent to the Rural Utilities Service and National Rural Utilities Cooperative Finance Corporation. On March 16, 2015, Empire submitted the proposed changes to the Commission for acknowledgement in

accordance with Section 54-7-12-7(a), (b), (c), (d), of the Utah Code. On March 24, 2015, the Commission issued an Action Request to the Division directing it to perform an investigation. This is the Division's response to that Action Request.

ISSUE

Empire's proposed rate change represents an increase in the costs to run and maintain the street lighting system in the Overhead Street Lighting rate class. This is the only rate class for which an increase was proposed and is applicable only to the five municipalities Empire serves in Utah and Colorado. The following table provides a summary of the proposed increase:

	Current Charge	Proposed Charge	Dollar Change
Overhead Street Lighting Rate Class			
175-Watt Mercury vapor unit, per lamp per month	\$16.01	\$16.07	\$0.06
400-Watt Mercury vapor unit, per lamp per month	\$32.62	\$32.78	\$0.16
100-Watt High-pressure sodium unit, per lamp per month	\$12.21	\$12.27	\$0.06
250-Watt High-pressure sodium unit, per lamp per month	\$24.24	\$24.36	\$0.12

The amount of this street lighting increase is based upon a corresponding increase in the western region Consumer Price Index (CPI) of approximately 0.5%. In addition to this rate increase, Empire has proposed adding a Lighting Adjustment Clause to its Overhead Street Lighting tariff to define how street lighting rates will vary with CPI changes.

Many of Empire's existing rate tariffs contain Power Cost Adjustment (PCA) clauses that allows it to reflect changes in its costs to purchase power. PCA rates can increase or decrease annually depending on whether or not there is an over-or under-recovery of purchased power costs.

Empire provided documents to the Commission pertaining to the rate change in its: Overhead Street Lighting tariff; a new Lighting Adjustment Clause tariff; and minor corrections in the Power Cost Adjustment Clause tariff. Copies of the proposed rate schedules were provided as follows:

17 th	Revised CO & UT Sheet 2	Index
25 th	Revised CO & UT Sheet 3	Residential Service
1 st	Revised CO & UT Sheet 4A	Single Phase
1 st	Revised CO & UT Sheet 4B	Three Phase
1 st	Revised CO & UT Sheet 5A	Irrigation Single Phase
1 st	Revised CO & UT Sheet 5B	Irrigation Three Phase
26 th	Revised CO & UT Sheet 6A	Large Power Service
10 th	Revised CO & UT Sheet 6B	Large Power Service
25 th	Revised CO & UT Sheet 8	Overhead Street Lighting
2 nd	Revised CO & UT Sheet 9	Power Cost Adjustment Clause
Original	CO & UT Sheet 11	Lighting Adjustment Clause

Additionally, Empire proposes to change the wording from the current “Facilities Charge” to “Grid Access Charge.” This is a change in terminology only and is intended to be a clarification. Empire believes the phrase “Grid Access Charge” more accurately reflects the purpose of this charge.

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. Empire has informed customers that “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”.

DISCUSSION

Empire is a rural electric cooperative distributing electric energy 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.

Empire is organized for the purpose of distributing electricity to its members and the public at cost (54-7-12-7(a)).

The filing indicates that this revised Overhead Street Lighting tariff reflects an increase in rates of 0.5% for the five municipalities Empire serves in Utah and Colorado. The requested increase is due to an increase in the western region Consumer Price Index.

Empire's Board of Directors approved this increase and the tariff revisions reflecting the increased rate (54-7-12-7(b)) in a board meeting held on February 13, 2015.

A public meeting was noticed and held at the offices of the City of Monticello, 17 North 100 East Monticello Utah on March 24, 2015 at 5:00 p.m. The affected members and customers were given notice of the meeting on March 11, 2015, which was not less than 10 days prior to the date that the meeting was held in accordance with (54-7-12-7(c)).

CONCLUSION

The Division recommends the Commission acknowledge the changes and revisions to Empire's tariff sheets with an effective date of May 1, 2015 and make them available for public inspection.

Cc:

Josh Dellinger, General Manager, Empire Electric Association, Inc.

Maria Wright, Division of Public Utilities

Mike Peterson, Director Utah Rural Electric Association

Michele Beck, Office of Consumer Services