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Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Doug Wheelwright, Technical Consultant
Eric Orton, Utility Analyst

Date: January 20, 2015

Subject: Garkane Energy Cooperative, Inc. Docket No. 15-028-T01

In the Matter of Changes to Rate Schedules for Garkane Energy Cooperative, Inc.

RECOMMENDATION

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge Garkane Energy Cooperative, Inc. (Garkane)'s changes to Schedule SC and the Line Extension Policy, and make them available for public inspection.

BACKGROUND

In Garkane's filing, it stated that on December 22, 2014 Garkane's board approved the attached changes and made them effective that same day. Garkane filed notification of these changes to its Utah Tariff Schedules SC and Line Extension Policy with the Commission on December 30, 2014. On January 5, 2015 the Commission issued an Action

Request to the Division to investigate this notification. This is the Division's response to that Action Request.

ISSUE

Garkane is again lowering the impact fee to its customers. Also, it is changing several areas of its Line Extension Policy which clarifies some aspects of the policy, eliminates redundant ones, and implemented some new parts.

DISCUSSION

In Garkane's filing, it stated that on December 22, 2014 Garkane's board approved the attached changes and made them effective that same day. However, after communicating with Garkane it was determined that there was a typographical error regarding the effective date. The Garkane board approved the changes during its hearing held December 22, 2014 but made the effective date January 26, 2015. Members were notified of the proposed changes to the Utah Tariff Schedules SC and Line Extension Policy on December 1, 2014. They were also notified of the hearing addressing these proposed changes held on December 22, 2014. Members were notified of the board's decision in the January newsletter. The changes can be summarized as follows:

Schedule SC

These changes will lower the minimum impact fee for small service customers from \$576 (which it implemented last year), down to \$150 for those customers requesting service up to 60 amperes. The impact fee for those customers requesting service from 60 amperes to 100 amperes is reduced from \$1,000 to \$500.

Line Extension

These changes are in four areas of the policy and were made with the intention of correlating the Line Extension Policies with Schedule SC, in the sections specified as follows:

A. General Provisions and Definitions:

- a. Language is added that allows Indeterminate Service to become permanent upon proper approval.
- b. The paragraph entitled Minimum Bill is eliminated.
- c. The paragraph entitled Refunds is eliminated. (However several areas in this category are now covered under the title “Shared Cost of Line Extensions”.)
- d. A section is added regarding Shared Cost of Line Extensions and the requirements of customers who may qualify for refunds.

B. Extensions for Permanent Service.

- a. The paragraph addressing Extension Costs over \$2,000 is eliminated.

C. Extensions for Indeterminate Service.

- a. A new paragraph is added explaining that subdivision developers will be responsible for the impact fees until the lot is sold and the homeowner requests service at which time the homeowner becomes responsible for any additional impact fees.

F. Applicant-Built Line Extensions:

This entire section is eliminated.

In summary, this filing lowers the impact fee for most customers and makes other changes in the Line Extension language intended to coordinate the impact fee language with Schedule SC. The rates charged for electric service did not change from the customer’s current electricity rates.

CONCLUSION

The Division recommends that the Commission acknowledge Garkane's changes to its Schedule SC and Line Extension policy with an effective date of January 26, 2015, and make them available for public inspection.

Cc: Carl Albrecht, Garkane Energy Cooperative, Inc.

Marialie Martinez, Division of Public Utilities Customer Service

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