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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, Technical Consultant

Date: June 7, 2016

Subject: Bridger Valley Electric Association Docket No. 16-022-T01

In the Matter of Bridger Valley Electric Association's Proposed Tariff Revisions

RECOMMENDATION

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) accept Bridger Valley Electric Association (BVEA)'s changes to its tariff Schedules, and make them available for public inspection.

BACKGROUND

The board of BVEA approved these tariff rate increases on November 10, 2015 with an effective date of July 1, 2016. Customers/members were notified beginning January 20, 2016. BVEA filed notification of these changes to its Tariff Schedules with the Commission on May 25, 2016. On June 2, 2016 the Commission issued an Action

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

ISSUE

BVEA's customers were given ample notification of the proposed rate changes as specified in Utah Code 54-3-3 and 54-4-1.1. Also, the Commission was notified at least 30 days prior to the proposed effective rate change as required by Commission Rule (R 746-405-2-E.2) and Utah Code 54-3-3. The Division believes that BVEA has complied with Commission rule and Utah Code prior to implementing its rate changes.

DISCUSSION

BVEA represented to its customers/members that this rate increase is necessary based on an 8% rate increase from their electric wholesaler, which will be effective July 1, 2016. The reason for this increase is to cover costs based on "additional controls forced upon the power plant by the EPA in their effort to reduce coal use." BVEA also explained to its customers/members that it is necessary for the co-op to pass these costs on to the customers/members "or we soon would lack the resources to maintain a reliable infrastructure."

The Division has reviewed BVES's filing and attached tariff sheets. The filed tariff schedules appear to implement the rates approved by BVEA's board.

CONCLUSION

The Division recommends that the Commission acknowledge BVEA's new tariff Schedule, with an effective date of July 1, 2016, and make it available for public inspection.

Cc: Jud Redden, Bridger Valley Electric Association

Maria Wright, Division of Public Utilities, Customer Service

Michele Beck, Office of Consumer Services

Mike Peterson, Utah Rural Electric Association