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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: November 22, 2017

Subject: Action Request Response in Docket No. 17-025-T02, 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 January 1, 2018, and make them available for public inspection.

BACKGROUND

Empire submitted some proposed tariff changes to the Commission for acknowledgement in accordance with Section 54-7-12-7(a), (b), (c), (d), of the Utah Code on November 13, 2017. On that same day the Commission issued an Action Request to the Division directing it to perform an investigation of this filing. This is the Division's response to that Action Request.

ISSUE

The proposed changes are in three sections of the tariff – Large Power Service, Transmission Service and Net Metering.

The first tariff change is for the Large Power Service customers. Empire is proposing to change the Generation Demand, Transmission Demand and Energy charges to match Tri-State Generation and Transmission Association's (Tri-State) rate changes. Empire's rates in these areas are on a pass-through basis.

The second tariff change is for the Transmission Service tariff. Empire proposes mirroring the pass-through changes in the Large Power Service tariff described above, but adds in language that offers customers a discount when none of Empire's assets are used in providing service, with an off-setting, revenue neutral increase. Empire also doubles the measurement window from 15 to 30 minutes, and makes other language changes to add clarity.

The third tariff change is in Empire's Net Metering tariff. The intent is to simplify and clarify the tariff language in order to allow Empire to pass- additional Tri-State charges to the large customer causing the charges. The change would also extend the true-up date to cover the heating season rather than the calendar year and provide options for dealing with excess generation.

The revised tariffs have a proposed effective date of January 1, 2018.

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 pay the same rates as Empire's Colorado consumers. Empire is organized as an electric cooperative for the purpose of distributing electricity to its members and the public at cost (54-7-12-7(a)).

On November 10, 2017, Empire held a Board meeting where these new rates were approved (Utah Code §54-7-12-7(b)). The affected members and customers were given notice of the meeting not less than 10 days prior to the date that the meeting was held in accordance with Section 54-7-12-7(c) with notification sent to members and published in the local paper.

Copies of all rate tariffs are on file at Empire's headquarters and are available for inspection during regular business hours. Empire has informed customers that if they had any questions regarding the notices or proposed changes they could contact the General Manager whose phone number was listed.

CONCLUSION

The Division recommends the Commission acknowledge the changes and revisions to Empire's tariff sheets with an effective date of January 1, 2018 and make them available for public inspection.

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

Maria Wright, Division of Public Utilities

Jeff Peterson, Director Utah Rural Electric Association

Michele Beck, Office of Consumer Services