



State of Utah
Department of Commerce
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
Eric Orton, Technical Consultant
Lane Mecham, Utility Analyst

Date: July 12, 2017

Re: Moon Lake Electric Association, Inc., Docket No. 17-030-T01

In the Matter of Tariff Revisions for Moon Lake Electric Association, Inc.

RECOMMENDATION

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) not acknowledge the tariff revisions proposed by Moon Lake Electric Association, Inc. (Association) due to the failure of the Association to follow the requirements for rate increases outlined in 54-7-12 of the Utah Code.

BACKGROUND AND DISCUSSION

An action request was issued to the Division on July 3, 2017, requesting that the Division, “provide analysis, evaluation results, and the basis for conclusions and recommendations,” regarding proposed tariff revisions from the Association.

The Association currently calculates “Large Power” net metering customers’ bills by applying the lower of the demand reading multiplied by the rate of \$12.00 per kW, or, \$.07 multiplied by the kWh usage. The Association is proposing to drop the alternate calculation for “Large Power” customers and just charge the demand reading multiplied by \$12.00 per kW. The Association currently has one customer on this tariff and, according to the Association, will not be affected by this change. The Association also made changes to its line extension policy, specifically in the areas of service upgrades, and eliminated the financing option and pro-rated refunds on services.

When the Division inquired of the Association whether it had sent out notices and held a public meeting for comments it responded that it had not due to the changes not having an impact on any of its customers.

CONCLUSION

While the changes have minimal impacts on ratepayers and were approved by the Board of Directors, the Utah Code is clear and specific about the process for rate increases, or in this case what could be viewed as a potential rate increase, which the Association failed to comply with. We recommend that the Commission instruct the Association to comply with the rules contained in the Utah Code before acknowledging the tariff revisions.

Cc: Alan Haslem, Moon Lake Electric Association, Inc.

Maria Wright, Division of Public Utilities, Customer Service

Michele Beck, Office of Consumer Services

Jeff Peterson, Utah REA