



State of Utah

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July 20, 2017

Mr. Alan Haslem
Moon Lake Electric Association, Inc.
P.O. Box 278
Roosevelt, Utah 84066

Re: *In the Matter of Moon Lake Electric Association, Inc.'s Proposed Tariff Revisions;*
Docket No. 17-030-T01

Dear Mr. Haslem:

The Public Service Commission of Utah (PSC) reviewed your July 3, 2017 Moon Lake Electric Association, Inc. (Moon Lake) filing requesting changes to Tariff No. 6, Electric Service Schedule NM-3 (Net Metering-3 phase) and Electric Service Regulation No. 17 (Line Extension Policy).

On July 10, 2017, the PSC received Moon Lake's e-mail correspondence acknowledging the PSC's July 6, 2017 letter summarizing filing requirements for electric cooperatives. Moon Lake's e-mail acknowledges that its July 3, 2017 filing does not meet the notice requirements but does not specify whether its tariff changes requested and outlined above will result in a rate increase. Likewise, Moon Lake's correspondence does not specify the effective date(s) of the tariff changes.

In addition, the PSC reviewed the July 12, 2017 response from the Division of Public Utilities (DPU) recommending the PSC not acknowledge Moon Lake's proposed tariff revisions for failure to comply with the notice and meeting requirements of Utah Code Ann. § 54-7-12. The DPU summarizes Moon Lake's filing as follows: "[It] is proposing to drop the alternate calculation [i.e., the lower of the demand reading multiplied by the rate of \$12.00 per kW, or \$0.07 multiplied by the kWh usage] for 'Large Power' customers and just charge the demand reading multiplied by \$12.00 per kW. [Moon Lake is] also . . . [proposing] changes to its line extension policy, specifically in the areas of service upgrades, and eliminated the financing option and pro-rated refunds on services." The DPU further states that it asked Moon Lake whether it notified its customers of the proposed tariff changes and held a public meeting for comment, and Moon Lake responded by noting that its proposed tariff changes do not impact any

of its customers. According to the DPU the changes presented by Moon Lake could be viewed as a potential rate increase.

The PSC concurs with the DPU's observations regarding the tariff change requirements an electric cooperative must meet under Utah law. Regardless of whether customers are impacted by a tariff change, for rate increases Utah law requires that "the cooperative has held a public meeting for all its customers and members. The cooperative shall mail a notice of the meeting to all of [its] customers and members not less than 10 days prior to the date that the meeting is held." Utah Code Ann. § 54-7-12(7)(c). The PSC does not have the authority or power to waive this requirement.

The PSC interprets Moon Lake's revisions to Schedule NM-3 as a rate increase. Accordingly, the PSC requests Moon Lake clarify the effect of its proposed tariff changes and provide all required documentation including the correct effective date(s) of the changes on the revised tariff sheets. Until such clarification is provided by Moon Lake and acknowledged by the PSC, Moon Lake's July 3, 2017 filing does not meet the statutory requirements.

Additionally Moon Lake's redline copy of Regulation No. 17 does not comport with either Moon Lake's or the DPU's description of the changes.¹ Therefore, it is unclear whether the changes to Regulation No. 17 constitute a rate change or if Moon Lake filed an accurate redline copy of the tariff changes. If the revisions to Regulation 17 result in a rate change, Moon Lake must comply with Utah Code Ann. § 54-7-12(7). Otherwise, Moon Lake may elect to refile its proposed tariff change in accordance with Utah Code Ann. § 54-7-12(6).

Finally, in reviewing this filing, it appears that when Moon Lake adopted its Tariff No. 6 in 2016,² which cancelled all previous electric service schedules and regulations, it did not file a complete tariff with the PSC (*i.e.*, rate schedules and regulations). Rather, it filed only the rate schedule portion of the tariff. Accordingly, the PSC requests Moon Lake file its complete tariff with the PSC as soon as practicable.

Based on the PSC's review of the filing and the DPU's comments, the PSC determines it cannot acknowledge Moon Lake's tariff changes until the relevant requirements of the Utah Code have been satisfied or Moon Lake provides supplemental clarifying information, including the changes to Schedule NM-3 and Regulation 17 as described above.

¹ The changes to Regulation No. 17 add the words "or Colorado" in Section A(7) (Restrictions) and amends the heading entitled "Applicant-Built Line Extensions" from *I* to *II*. Moon Lake, however, states the changes to Regulation No. 17 "eliminat[e] . . . the financing option, change[] service upgrades, and . . . eliminat[e] . . . the Pro Rate refund on services applied for after May 10, 2017." The PSC is unable to identify such changes in the filed version of Regulation No. 17.

² See *In the Matter of the Revisions to Moon Lake Electric Association, Inc.'s Retail Electric Rates*. Docket No. 16-030-T01.

Correspondence from Gary L. Widerburg

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Please do not hesitate to contact me if you have any questions regarding these issues.

Sincerely,

/s/ Gary L. Widerburg

Commission Secretary

DW#295368