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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
Jeff Einfeldt, Utility Analyst

Date: August 1, 2017

Subject: Dixie Escalante Rural Electric Association revised tariff sheets.
Docket No. 17-066-T02

In the Matter of Dixie Power's Proposed Tariff Revisions

RECOMMENDATION

The Utah Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) acknowledge Dixie Escalante Rural Electric Association, Inc.'s (Dixie) changes to its Retail Electric Rate tariff, and make them available for public inspection.

BACKGROUND

This current filing does not change energy costs pursuant to the annual wholesale power cost adjuster sought by Dixie in its tariff filing in February 2017, but is notifying the Commission of an increase to the residential Facilities Service Charge and the commercial demand charge. Dixie's board made this rate change effective September 1, 2017. Dixie filed notification of these changes with the Commission on July 14, 2017. The Commission issued an Action Request to the Division on July 19, 2017 to investigate the notification. This is the Division's response to that Action Request.

ISSUE

Dixie's customers were given notification of these proposed rate changes as specified in Utah Code 54-3-3 and 54-4-1.1. Likewise, 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.

DISCUSSION

Dixie filed with the Commission its revised retail electric rate schedules on July 14, 2014, increasing the residential Facilities Service Charge from \$19 to \$25 and the commercial demand charge from \$9 to \$10 kW. The Board of Directors approved the increase on April 6, 2017. Notice was mailed to all customers on May 15, 2017 and presented at member meetings on May 30th at the Beryl elementary school and on May 31st at the Dixie Center in St. George. Dixie seeks an effective date of September 1, 2017 for the new rates.

In a previous memo to the Commission for Docket No 16-066-01, the Division noted the financial condition of Dixie was healthy but showing signs of erosion due to operating costs increasing at a faster rate than revenues. The rate increase discussed herein appears to be an effort to mitigate the financial erosion noticed earlier and will help Dixie maintain a healthy financial position going forward.

CONCLUSION

The Division recommends the Commission acknowledge the revised tariff sheets with an effective date of September 1, 2017 and make them available for public inspection.

Cc: LaDel Laub, President and CEO, Dixie Escalante Electric Association.

Maria Wright, DPU Customer Service

Michele Beck, Office of Consumer Services

Jeff Peterson, Director, Utah REA