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*Attorney for Moon Lake Electric Association, Inc.*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of Moon Lake	)	
Electric Association, Inc. for Authority to	)	DOCKET NO. 22-
Revise Rate Tariff Schedules and Regulations	)	
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**VERIFIED APPLICATION FOR APPROVAL TO REVISE RATE TARIFF  
SCHEDULES AND REGULATIONS**

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Applicant Moon Lake Electric Association, Inc. (“Moon Lake”) hereby applies to the Commission pursuant to Utah Code Ann. § 54-7-12 for an Order authorizing Moon Lake to: (i) revise all of its rate tariff schedules and regulations as they become effective on November 1, 2022 which will allow Moon Lake to increase the rate tariff schedules in order to satisfy ongoing and new financial obligations, and (ii) that the Commission find good cause exists to acknowledge the revised rate tariff schedules and revised regulations.

Moon Lake anticipates and represents that this matter is expected to be unopposed and uncontested. Pursuant to Rule R746-110-1 of the Public Service Commission Administrative Procedures Act Rule (“Administrative Act”), Moon Lake hereby requests Informal Adjudication of this Application. This Application is supported by the sworn statements in this Verified Application and true and correct copies of the documents attached hereto. Pursuant to R746-110-2, and for good cause shown, Moon Lake respectfully requests entry of a final Commission order

approving the revised rate tariff schedules and regulations as soon as practicable, and within 30 days if feasible, in order for Moon Lake to meet its outstanding financial obligations. In light of the Moon Lake's board approval of the revised rate tariff schedules and regulations at a special telephonic and in person meeting held on September 7, 2022, Moon Lake asks the Commission to determine that no additional public notice of this proceeding is required under R746-110-2.

In support of this Application, Moon Lake represents as follows:

#### General Background

1. Moon Lake is a rural electrical cooperative that provides electric services at retail to its members/owners in the States of Utah and Colorado.
2. Moon Lake is a public utility subject to the jurisdiction of this Commission under the laws of the State of Utah.

#### Financial Circumstances, Public Notice & Public Hearings

3. Moon Lake has been saddled with several new financial obligations during the fiscal year 2022 which include: (i) a one million four hundred and ninety thousand (\$1,490,000.00) dollar yearly increase in wholesale power cost from its wholesale power provider Deseret Generation and Transmission Co-operative ("DG&T"), (ii) an estimated four hundred thousand (\$400,000.00) dollar yearly increase in costs from the Western Area Power Administration ("WAPA"), (iii) overall industry increased costs of materials and equipment due to the 2022 inflationary conditions as reflected in the year-over-year consumer price index urban (inflation rates ranging from 8% to 9.2%), and (iv) many other anticipated cost and expense increases that must be addressed pursuant to prudent business practices.
4. Knowing this, Moon Lake began preparing a cost-of-service study of these additional anticipated costs in March of 2022 that took a four (4) year financial forecast

perspective, focusing on financial debts and obligations burdening Moon Lake and its membership. Countless human capital hours were poured into this project, and in July of 2022, this above-mentioned comprehensive cost-of-study was completed. Finally, Moon Lake's Financial Department prepared several rate tariff schedule increase options to present to its Board of Directors ("BODs") – such included three (3) different options, each supported by data and calculations captured in the cost-of-service study.

5. On July 26, 2022, Moon Lake's BODs and management team convened for a special meeting to discuss the analysis, the rate increase options, and recommendations stemming from the cost-of-service study. In this meeting data, graphs, charts, and spreadsheets that supported certain recommendations were presented and discussed. The BODs were able to ask the management team questions and voice any issues or concerns contemplated – vibrant dialogue took place. No motions were made. The related special meeting minutes are attached as "Exhibit A."

6. Subsequently, the BODs and management team met for their regular board meeting on July 27, 2022 in Roosevelt, Utah. The 2022 proposed rate adjustment action item was presented to the BODs - a motion was made and seconded “. . . to pursue Moon Lake Electric Association, Inc.'s ("MLEA") Rate Adjustment, taking effect November 1, 2022. . .” Said motion was voted on, and it carried in the affirmative. The regular meeting minutes are attached as "Exhibit B." The current and proposed rate tariff schedules and regulations are attached hereto as "Exhibit C."

7. Pursuant to Utah Code 54-7-12, Moon Lake meticulously mapped out the proposed rate adjustment timeline in order to ensure compliance with Utah law and the Utah Administrative Act. As such, it was determined that Moon Lake would hold a public hearing in

Rangely, Colorado on September 6, 2022 at 6:00pm MST at the Rangely Town Office located at 209 East Main Street, Rangely, Colorado 81648, and another public hearing at its Roosevelt Corporate Headquarters located at 800 West Highway 40, Roosevelt, Utah 84078 on September 7, 2022 at 6:00pm MST which would satisfy 54-7-12 of the Utah Code.

8. In further compliance with Utah statute, Moon Lake ran the following local newspaper publications to notify Moon Lake's membership of the Rangely and Roosevelt public hearings: (a) on August 17, 2022, the Uintah Basin Standard published the increase of the tariff rates, (b) on August 17, 2022, the Vernal Express published the proposal to increase the tariff rates, and (c) on August 18, 2022, the Rio Blanco Herald Times published the MLEA Tariff Increase. All of these legal notice publications provided at least ten (10) days prior notice of the September 6<sup>th</sup> and September 7<sup>th</sup> public hearings thereby complying with state law. All Affidavits of Publication are attached hereto as "Exhibit D."

9. Additionally, Moon Lake carefully prepared a "*Letter From Our CEO*" ("Letter") which outlined the following information for Moon Lake's membership: (i) a detailed explanation as to "why" Moon Lake's BODs and management were pursuing a rate tariff increase (the explanation included Moon Lake's new financial obligations – DG&T cost increases, WAPA costs, inflationary increases across the utility industry, etc.), (ii) the dates, times, and locations for the Rangely public hearing and the Roosevelt public hearing, (iii) notifying the membership that the BODs would vote on the final outcome of the rate changes following the public hearings, (iv) that if adopted, the rate changes or increases would take effect November 1, 2022, (v) notifying the membership that an online billing estimator would be available on Moon Lake's website (to provide an idea to each member of how much the rate

increase would affect his/her monthly utility bill), and (vi) a full summary of all current and proposed rate tariff schedules referred to as “Exhibit A” in the Letter (attached as “Exhibit E”).

10. On August 25, 2022, Moon Lake’s third-party vendor NISC mailed out the Letter to all members of Moon Lake totaling 13,180 mailings. Attached hereto is the Certificate of Mailing as “Exhibit F.” In addition, Moon Lake activated on its online landing page a notification of the Rangely Public Hearing and Roosevelt Public Hearing (date, time, location) that same day. Said notification is attached as “Exhibit G.” Again, these modes of notification provided at least ten (10) days prior notice of the September 6<sup>th</sup> and September 7<sup>th</sup> public hearings to Moon Lake’s membership thereby complying with 54-7-12 of the Utah code.

11. Moon Lake’s management team, along with four (4) BODs in attendance, shared a comprehensive PowerPoint presentation to three (3) members who came to the public hearing in Rangely, Colorado on September 6, 2022. Said presentation explained: (a) “why” Moon Lake is pursuing a rate tariff schedules increase, and (b) how the proposed increase would affect residential users, agricultural membership, and others demonstrating example bills on Moon Lake’s billing estimator feature as found on Moon Lake’s website. Moon Lake’s management team fielded questions that the attendees had, and responded to them accordingly. The Sign-In Sheet of the Rangely public hearing is attached as “Exhibit H” and the public hearing minutes are attached as “Exhibit I.”

12. Subsequently, on September 7, 2022, Moon Lake’s management team hosted the second public hearing in Roosevelt, Utah at its corporate headquarters. The management team shared the same PowerPoint presentation as it had the night before (in Rangely, Colorado). The attendees at the Roosevelt public hearing include: (i) twenty-one (21) Moon Lake members, (ii) six (6) out of seven (7) BODs, and (iii) ten (10) Moon Lake employees/management team. In

addition, Mr. David Crabtree, the general manager of DG&T, was in attendance and graciously responded to several questions posed by the Moon Lake membership. Several concerns were expressed by the Moon Lake membership pertaining to the tariff increases, and the BODs and management team took them under advisement and consideration. “Exhibit J” is attached as the Sign-In Sheet for the Roosevelt public hearing and the public hearing minutes are attached as “Exhibit I.”

#### Board of Directors Authorization

13. Later that evening, Moon Lake’s BODs and management team met to discuss the rate tariff schedules increase and the comments received from the membership. After extensive deliberation and consideration, the BODs voted on the proposed rate increase by motion:

Upon review, motion was duly made and seconded to approve Moon Lake Electric Association, Inc.’s proposed Rate Adjustment including rate tariff schedules and the regulations, taking effect November 1, 2022, as reflected in Exhibit A of the *Letter From Our CEO* with the exception of modifying the proposed rate tariff schedule EV Rapid Charge (\$/kWh for energy) from 0.0414 to 0.0571 (refer to Exhibit A), and the motion carried.

By motion, the Rate Adjustment passed unanimously by the BODs with one modification to the proposed rate tariff schedules – the EV Rapid Charge (\$/kWh for energy) increased from 0.0414 to 0.0571. Currently, Moon Lake does not have any member that receives electrical service under this proposed EV Rapid Charge tariff schedule. This modification initially came from the comments of a Moon Lake member, and the BODs later agreed with the member after careful consideration. All other proposed rate tariff schedules remained unchanged. The September 7, 2022 special meeting minutes are attached as “Exhibit K.”

### Public Interest

14. The Board of Directors of Moon Lake have approved the revised rate tariff schedules and revised regulations as in the best interests of Moon Lake and its members in order to meet its ongoing and new financial obligations that have arisen in the fiscal year 2022. The proposed rate tariff schedules and regulations are reasonably necessary to ensure the financial stability and health of Moon Lake and its obligation to provide its members with safe, affordable and reliable utility services, now and in the future.

15. The revised rate tariff schedules and revised regulations are for lawful objectives within Moon Lake's proper nonprofit corporate purposes, is compatible with the public interest, is necessary or appropriate for or consistent with the proper performance by Moon Lake of its services as a public utility, and will not impair Moon Lake's ability to provide or perform those services.

### Requested Time of Approval

16. Moon Lake respectfully requests a final Order from this Commission approving Moon Lake to: (i) revise all of its rate tariff schedules and regulations as they become effective on November 1, 2022 (which will allow Moon Lake to increase the rate tariff schedules in order to satisfy ongoing and new financial obligations and update its regulations), and (ii) that the Commission find good cause exists to acknowledge the revised tariff schedules and revised regulations.

DATED this 22<sup>nd</sup> day of September 2022.

Respectfully submitted,

By:



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Dean D. Sellers (10386)

Moon Lake Electric Association, Inc.

*Attorney for Moon Lake Electric Association, Inc.*



## VERIFICATION

STATE OF UTAH )  
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COUNTY OF Duchesne )

COUNTY OF Duchess

The undersigned, Mr. Yankton Johnson, being first duly sworn upon oath, deposes and states that he is the Chief Executive Officer and/or General Manager of Moon Lake Electric Association, Inc., the Applicant in this proceeding, that he has read the foregoing Application and is familiar with the transactions referred to herein and the documents attached hereto, and that, to the best of his knowledge, information and belief, the statements therein are all true and accurate.

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Subscribed and sworn to before me this 22 day of September 2022.



How I Do

Notary Public

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application was served by email this 22<sup>nd</sup> day of September 2022, upon the following:

### Division of Public Utilities:

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