



State of Utah

Department of Commerce Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Doug Wheelwright, Utility Technical Consultant Supervisor

Brenda Salter, Utility Technical Consultant Supervisor

Bhavana Venjimuri, Utility Analyst

Date: February 1, 2022

Re: **Docket No. 22-066-T01**, Dixie Escalante Rural Electric Association revised tariff sheets.

Recommendation (Approve Tariff Sheets)

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.

Issue

Dixie seeks to decrease retail energy rates by \$.0015 per kWh beginning February 01, 2022.

Background

Dixie's Board of Directors first approved an annual wholesale power cost adjustment in a board meeting held on November 02, 2011. In a filing on February 1, 2013, Dixie notified the Commission that "These rates included an annual wholesale power cost adjustor clause, which

Dixie is implementing effective February 1, 2013.” The Division recommended approval of those tariff sheets and the Commission acknowledged them on March 1, 2013.

This current filing notifies the Commission of the rate change based on this “annual wholesale power cost adjuster clause.” Dixie’s board will make this rate change effective February 1, 2022. Dixie filed notification of these changes with the Commission on January 18, 2022. On that same day the Commission issued an Action Request to the Division to investigate the notification stating that it was due by February 1, 2022. This is the Division’s response to that Action Request.

Discussion

Since the original notification to the Commission of Dixie’s wholesale power cost adjuster clause in 2013, Dixie’s customers have been given ample notification of these proposed rate changes as specified in Utah Code 54-3-3 and 54-4-1.1. Since the mechanism’s approval in 2013, the Commission has allowed the annual power cost adjustments without further process.

The relevant clause in Dixie’s tariff states: “WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Association's cost of purchased power. The above rates are subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.”

On January 18, 2022, Dixie filed with the Commission its revised retail electric rate schedules. In Dixie’s attached letter to the Commission, it states that these rates reflect a decrease of \$.0015 per kWh in retail energy rates.

Dixie previously determined to keep retail rates simple by not implementing rate changes unless the year-over-year rate difference is at least \$.0005 per kWh and that any rate adjustment would be rounded to that number. In 2021 the average wholesale power cost was \$.03937 whereas for 2020 the cost was \$.04073 per kWh, with the difference being a decrease of \$.00136 year over year. This is greater than the threshold mentioned above with the decrease being rounded down to \$.0005.

The decreases in Dixie's rates per kWh are as follows:

<u>Title</u>	<u>New Rate</u>	<u>Old Rate</u>
Residential Energy Rate	\$.0585	\$.0600
Small Commercial Energy Rate (0-60 amps)	\$.0585	\$.0600
Small Commercial Energy Rate (50 kW max)	\$.0535	\$.0550
Large Commercial Energy Rate (2499kW Maximum)	\$.0285	\$.0300
Off-Peak	\$.0285	\$.0300
Irrigation Energy Rate (over 100 kWh's per H.P.)	\$.0476	\$.0491
Interruptible Irrigation (over 100 kWh's per H.P.)	\$.0420	\$.0435
Utah High Density	\$.025161	\$.026661
Utah Industrial	\$.0245	\$.0260

Conclusion

The Division recommends that the Commission acknowledge the revised tariff sheets with an effective date of February 1, 2022 and make them available for public inspection.

Cc: LaDel Laub, President and CEO, Dixie Escalante Electric Association
Michele Beck, Office of Consumer Services
Jeff Peterson, Director, Utah REA