



January 18, 2023

Utah Public Service Commission  
Heber M. Wells Building  
160 East 300 South  
Salt Lake City, Utah 84145-0807

Subject: Docket 23-066-<sup>01 FN</sup>T01

To Whom it May Concern:

Enclosed you will find new and revised rate tariffs for Dixie Power's retail electric rates. These rates were approved by the Board of Directors on November 2, 2022, and notice was mailed to all consumers on December 15, 2022. These rates were presented at member meetings held on January 3, 2023, at the Escalante Valley Elementary School in Beryl, Utah, and on January 4, 2023, at Desert Hills High School in St. George, Utah.

The effective date of the new rates is March 1, 2023. The increase in rates average 5.9%, with Residential rates increasing by 8.6%, Small Commercial by 2.6%, Large Commercial by 2.9% and Irrigation by 7.2%. These rates include bringing the Flowell member system, which was acquired on January 1, 2021, in line with the rest of the Dixie Power Utah rates including impact fees, which equates to a rate reduction for all customer classes for the Flowell members, with the exception of impact fees.

These rates will also be adjusted due to a wholesale power cost adjuster procedure that was put into place in 2012. The 2022 average wholesale power cost measured in cents per kWh was \$.042748. The previous year 2021 average wholesale power costs measured in cents per kWh was \$.03937 with the difference being an increase of \$.003378 year over year. To keep rates simple, the wholesale power cost adjuster procedure includes a provision to round these adjustments to the nearest \$.0005 per kWh, so the actual increase included is \$.0035 per kWh. This wholesale power cost adjustment is in addition to the rates described in the above paragraph and were included in the presentation at the member meetings held on January 3<sup>rd</sup> and 4<sup>th</sup>.

These rates include a new format for seasonal rates with a new clause on the rate tariff for a Wholesale Peak Season Cost Adjustment. The rates for billing months June – September are subject to the imposition of any peak season purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures. These rates for



2023 do not include any difference between peak season rates or non-peak season rates. The wholesale peak season cost adjustments will follow notice from Dixie Power's wholesale supplier, Deseret Power, in January of each year prior to the upcoming peak season. The first notice is expected in January of 2024 to facilitate cost recovery of peak season generation resources that will be constructed or contracted for.

Also, enclosed are new optional Time-of-Use rates for residential and commercial customer classes. These rate tariffs were developed to provide customers the opportunity to save money compared to the regular rate tariffs for both residential and commercial members.

Lastly, enclosed you will find a "revised" copy of Dixie Power's Impact Fee Schedule which is an exhibit to Regulation 10, Line Extension Policy found in the Electric Service Regulations. Impact fees were last increased in January of 2015 and inflationary pressures have made it necessary to revise and increase these rates as well. These revised impact fees reflect an increase of 50 percent and were presented at the member meetings on January 3<sup>rd</sup> and 4<sup>th</sup>.

If you have questions, please call me at (435) 439-5311. Also, you can e-mail me at [ladell@dixiepower.com](mailto:ladell@dixiepower.com).

Sincerely,

DIXIE ESCALANTE RURAL ELECTRIC ASSN.

***LaDel Laub***

LaDel Laub, President and CEO

Enclosures