

Power to Light Our Future



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May 2, 2023

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

Subject: Docket 23-2167-T02

To Whom It May Concern:

Enclosed you will find a revised rate tariff for the Schedule 9: Adjustment for Increased (or Reduced) Purchased Power Costs (Schedule 9) of South Utah Valley Electric Service District (SESD). The revision was approved by SESD's Board of Trustees on April 11, 2023. A public hearing for SESD's customers to give input on the revision has been scheduled for May 17, 2023, at SESD's office in Payson, Utah. Notice for the hearing was mailed and emailed to SESD's customers on May 1, 2023, with their monthly power billing. A copy of the notice is included with this letter. In addition to the notice on the customers' billing statements, a notice will be placed on the State's Public Notice Website on May 8th and in The Payson Chronicle on May 10th.

The effective date for the Schedule 9 revision is June 1, 2023, pending Board of Trustees approval at the public hearing.

The revision for Schedule 9 changes the language for the way SESD's power cost adjustment is calculated. Back in January 2023 SESD changed the power cost adjustment so that it was calculated based on a running 3-month average of the most recent three months of wholesale power costs. Currently, SESD attributes \$0.094/kWh of its customer rates to power costs. The current power cost adjustment is calculated by taking the 3-month average of recent wholesale power costs and subtracting that average from \$0.094. Since implementing this power cost adjustment formula, SESD has come to realize that this running 3-month average approach will not be sufficient to cover power costs should a future month's power costs come in extra high during the peak summer months. The submitted revision to Schedule 9 changes the language so that the power cost adjustment can be adjusted either upwards or downwards under established procedures. The new procedure will compare, each month, current wholesale power costs to \$0.094/kWh. The new procedure will allow SESD to immediately recover wholesale power costs

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above its set rate instead of recovering those high costs over three months. The new language and procedure will be explained in detail at the public hearing being held on May 17, 2023. To my knowledge, the proposed tariff sheets do not constitute a violation of state law or Commission rule and are consistent with applicable statutes, rules, and orders.

Thank you in advance for reviewing SESD's proposed revision to Schedule 9: Adjustment for Increased (or Reduced) Purchased Power Costs. If you have any questions, please call me at 801-465-8020, or you can email me at mark@sesdofutah.org.

Sincerely,



Mark Holdaway
Clerk / CFO
SESD

Enclosures

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