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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
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CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Justin Christensen, Utility Analyst

Date: May 16, 2023

Re: **Docket No. 23-2167-T02**, South Utah Valley Electric Service District (SESD) revised tariff sheet.

Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends the Utah Public Service Commission (Commission) acknowledge SESD's proposed Electric Service Tariff Schedule (Tariff), pending SESD Board of Trustees approval at the public hearing. The requested effective date for this filing is June 1, 2023.

Issue

On May 2, 2023, SESD filed with the Commission a revised rate tariff for Electric Service Schedule No. 9 - Adjustment for Increased or Reduced Purchased Power Costs. The revision changes the language so that the power cost can be adjusted either upwards or downwards under established procedures. The new procedure will allow SESD to immediately recover wholesale power costs above its set rate instead of recovering those high costs over three months. SESD has asked for the revised tariff to be effective June 1, 2023.

Background

On May 2, 2023, SESD filed tariff pages to revise rate tariff for Electric Service Schedule No. 9 - Adjustment for Increased or Reduced Purchased Power Costs. Around January 2023, SESD changed the power cost adjustment so that it was calculated based on a

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

running three-month average of the three most recent months of wholesale power costs.¹ SESD has come to realize the running three-month average approach may not be sufficient to cover power costs should a future month's power costs come in extra high during peak months. The new procedure will compare each month, current wholesale power costs instead of the running three-month average. This will allow SESD to immediately recover wholesale power costs above its set rate instead of recovering those high costs over three months.

In compliance with Utah Admin. Code Section 54-7-12(7), bill inserts, informing customers about the rate change were mailed and emailed on May 1, 2023. The April customer billing notified customers of a public hearing to take place May 17, 2023, at 6:00 PM at the SESD office. In addition, a notice was placed on the state's Public Notice Website on May 8th and in The Payson Chronicle on May 10th. Utah Admin. Code 746-405-2(D)(6) requires utilities to provide both clean and marked-up versions of tariff sheets identifying the tariff sheet changes. SESD complied with this requirement.

Conclusion

The Division recommends the Commission acknowledge SESD's revised tariff sheets, pending SESD Board of Trustees approval at the public hearing, with an effective date of June 1, 2023, and make it available for public inspection.

cc: Mark Holdaway, SESD
Michele Beck, OCS

¹ See South Valley Electric Service District Proposed Tariff Revisions Docket 23-2167-T01