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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

Brenda Salter, Assistant Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Matt Pernichele, Utility Analyst

Date: January 30, 2024

Re: **Docket No. 24-066-T01** Dixie Power Revised Tariff Sheets

Recommendation (Acknowledge)

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge Dixie Escalante Rural Electric Association's (Dixie) changes to its tariff titled Electric Rates for Utah and make them available for public inspection.

Issue

Dixie seeks to change energy charges in 9 of its rate schedules which contain a Wholesale Power Cost Adjustment clause (WPCA). Off Peak and Winter rates would decrease by approximately \$.0005/kWh and On Peak and Summer rates would increase by varying amounts. Dixie intends to make the new rates effective as of February 1, 2024.

Background

Dixie's Board of Directors first approved the WPCA and rate changes (2012 Tariff) in a board meeting held on November 2, 2011. Notices containing the new tariff that included the WPCA and rate changes were mailed to its customers on May 23, 2012. Public meetings on these issues were held at the Beryl Elementary School on June 5, 2012, and

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the Dixie Center Ballroom on June 6, 2012.¹ The Commission acknowledged² the 2012 Tariff with the WPCA.

The WPCA consists of the following language included in each schedule of Dixie's tariff with an energy charge:

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.³

Dixie intended the WPCA to satisfy various notification requirements established in Utah law, as described below. Changes to Dixie's tariffs were made using the WPCA to satisfy notice requirements in 2013 (Docket No. 13-066-T01) and 2017 (Docket No. 17-066-T01).

Dixie requested that the Commission acknowledge another tariff change in 2018.⁴ In its review of that filing, the Division recommended that the Commission accept the WPCA process as explicitly satisfying the notification requirements of §54-7-12(7) and §54-3-3.⁵ In acknowledging Dixie's tariff ('18 Acknowledgement),⁶ the Commission agreed that the WPCA satisfied the customer notification requirements of §54-7-12(7). This section allows an electric cooperative (such as Dixie) to make tariff changes after getting approval of the changes from its board or the federal government, holding a properly noticed public hearing, and filing with the Commission. The Commission allowed the new energy charges to take effect on February 1, 2018.⁷ The '18 Acknowledgment did not mention whether the WPCA

¹ *Division Memorandum*, Docket No. 12-066-T01, July 19, 2012, p. 2.

<https://pscdocs.utah.gov/electric/12docs/12066T01/231514CommDPU.pdf>.

² *Tariff Acknowledgment Letter from the Commission*, Docket No. 12-066-T01, August 6, 2012.

<https://pscdocs.utah.gov/electric/12docs/12066T01/232244TariffAckPSC.pdf>.

³ *Electric Rates for Utah*, Docket No. 24-066-T01, January 19, 2024.

<https://pscdocs.utah.gov/electric/24docs/24066T01/331894Trf1-19-2024.pdf>.

⁴ *Cover Letter*, Docket No. 18-066-T01, January 8, 2018.

<https://pscdocs.utah.gov/electric/18docs/18066T01/298899CvrLtr1-8-2018.pdf>.

⁵ *Action Response Request*, Docket No. 18-066-T01, January 18, 2018, p. 2.

<https://pscdocs.utah.gov/electric/18docs/18066T01/299241CommDPU1-18-2018.pdf>.

⁶ *Tariff Acknowledgment Letter from the Public Service Commission*, Docket No. 18-066-T01, January 24, 2018. <https://pscdocs.utah.gov/electric/18docs/18066T01/299364TarAckLtrPSC1-24-2018.pdf>.

⁷ *Id.*

fulfilled the notification requirements of §54-3-3, which requires a tariff to go into effect no less than 30 days after notifying the Commission unless the Commission specifically rules otherwise.

Dixie's similar tariff changes were approved this way in dockets 19-066-T01, 20-066-T01, and 21-066-T01. In each of these instances, the Commission allowed the WPCA to satisfy the 30-day notice requirement and allowed the new tariff to go into effect less than 30 days after Dixie initially filed it with the Commission.

Dixie notified the Commission of its current proposed tariff changes by filing a Cover Letter, Tariff, and Redline Tariff,⁸ on January 19, 2024. The Commission filed an Action Request for the Division to examine the filing on January 19, 2024.

Discussion

Dixie's proposed tariff makes the following changes to energy charges:

Utah Schedule	Old Rate	New Rate
Residential (October - May)	\$.066	\$.0655
Residential (June - September)	\$.066	\$.07402
Residential Time-of-Day (June - September, Off-Peak)	\$.050	\$.0495
Residential Time-of-Day (June - September, On-Peak)	\$.10	\$.10802
Residential Time-of-Day (October - May)	\$.066	\$.0655
Small Commercial (0-60 Amp, October - May)	\$.066	\$.0655
Small Commercial, 0-60 Amp (June - September)	\$.066	\$.07402
Small Commercial, 50 kW (October - May)	\$.057	\$.0565
Small Commercial 50 kW (June - September)	\$.057	\$.06502
Large Commercial 2499 kW (October - May)	\$.0320	\$.0315
Large Commercial 2499 kW (June - September)	\$.0320	\$.04002
Large Commercial Time-of-Use 2499 kW (Off Peak)	\$.0320	\$.0315
Large Commercial Time-of-Use, up to 20kWh/kW (On Peak)	\$.30	\$.30802

⁸ Docket No. 24-066-T01, January 19, 2024, found at <https://psc.utah.gov/2024/01/19/docket-no-24-066-t01>.

Large Commercial Time-of-Use, all other kWh (On Peak)	\$.032	\$.04002
Off-Peak Interruptible Service, 2499 kW (October - May)	\$.032	\$.0315
Off-Peak Interruptible Service 2499 kW (June - September)	\$.032	\$.04002
Irrigation, 0 to 134 kWh's per kW	\$.0896	\$.09812
Irrigation, over 134 kWh's per kW	\$.0561	\$.06412
Interruptible Irrigation, 0 to 134 kWh's per kW	\$.0673	\$.0668
Interruptible Irrigation, over 134 kWh's per kW	\$.0455	\$.045

Dixie requested that these changes take effect on February 1, 2024, and the version of this tariff posted on Dixie's website⁹ states that they are effective as of February 1, 2024.

No other changes were indicated in Dixie's redline version of the proposed tariff.¹⁰ All of these changes are to energy charges and, according to Dixie's Cover Letter,¹¹ are in response to changes in Dixie's cost of purchased power, which are covered by the WPCA and thus do not require board or federal approval or a properly noticed public hearing. The Division believes that these new energy charges will more closely match the price Dixie pays for purchase power by season and time of day, thus better reflecting the actual costs of serving each customer.

The Commission ruled¹² in 2018 that the WPCA satisfies the requirements of §54-7-12(7) requiring board approval and a properly noticed public meeting and allowed it to go into effect 23 days after the initial filing.¹³ The Commission has approved Dixie's proposed tariff changes under nearly identical circumstances, using the WPCA to satisfy notice requirements and allowing new tariffs to become effective in less than 30 days, four times¹⁴ since 2018. Dixie has become reliant upon this procedure and the Division has been unable

⁹ <https://www.dixiepower.com/wp-content/uploads/2024/01/Utah-Rates-Feb-2024.pdf>, last viewed on January 29, 2024.

¹⁰ *Tariff – Redline*, Docket No. 24-066-T01, January 19, 2024.
<https://pscdocs.utah.gov/electric/24docs/24066T01/331895TrfRdln1-19-2024.pdf>.

¹¹ *Cover Letter*, Docket No. 24-066-T01, January 19, 2024.
<https://pscdocs.utah.gov/electric/24docs/24066T01/331893CvrLtr1-19-2024.pdf>.

¹² *Tariff Acknowledgment Letter from the Public Service Commission*, January 24, 2018.

¹³ Allowed by R 746-405-2. E.3 (2024).

¹⁴ In Dockets No. 19-066-T01, 20--066-T01, 21-066-T01, and 22--066-T01.

to find any problems that have resulted from this pattern of filing.

Conclusion

The Division recommends that the Commission Acknowledge the revised tariff sheets and make them available for public inspection with an effective date of February 1, 2024.

cc: LaDell Laub, President and CEO, Dixie Power
Michele Beck, Office of Consumer Services