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Corrected 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
David Fields, Utility Analyst

Date: February 19, 2025

Re: **Docket No. 25-066-T01**, Dixie Power's Proposed Tariff Revisions

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

On January 21, 2025, Dixie made a filing with the Commission seeking to change energy charges on its rate schedules which contain a Wholesale Power Cost Adjustment clause (WPCA). The retail energy rates will increase by \$0.0020 per kWh. The irrigation second tier energy rates were increased by \$0.0020 per kwh. Dixie intends to make the new rates effective as of March 1, 2025. On January 22, 2025, the Commission issued an Action Request to the Division asking the Division to investigate the application and to report back by February 5, 2025.



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, which included the WPCA, along with rate changes, were mailed to customers on May 23, 2012. Public meetings on these issues were held at the Beryl Elementary School on June 5, 2012, and the Dixie Center Ballroom on June 6, 2012.¹ The Commission acknowledged the 2012 Tariff with the WPCA.²

The WPCA consists of the following language included in each 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 Utah Codes §54-7-12(7) and §54-3-3.⁵ In acknowledging Dixie's tariff ('18 Acknowledgement), the Commission agreed

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 22, 2025.

<https://psc.utah.gov/2025/01/22/docket-no-25-066-t01/>

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>.

that the WPCA satisfied the customer notification requirements of Utah Code §54-7-12(7).⁶ 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 2018 Acknowledgment did not mention whether the WPCA 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, 21-066-T01, and 24-066-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, on January 21, 2025. The Commission issued an Action Request for the Division to examine the filing on January 22, 2025.⁸

Discussion

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

Utah Schedule	Old Rate	New Rate
Residential (October - May)	\$ 0.06550	\$ 0.06750
Residential (June - September)	\$ 0.07402	\$ 0.07602
Residential Optional Time-of-Day (June - September, Off-Peak)	\$ 0.04950	\$ 0.05150
Residential Time-of-Day (June - September, On-Peak)	\$ 0.08020	\$ 0.11002
Residential Time-of-Day (October - May)	\$ 0.06550	\$ 0.06750
Small Commercial (0-60 Amp, October - May)	\$ 0.06550	\$ 0.06750
Small Commercial, 0-60 Amp (June - September)	\$ 0.07402	\$ 0.07602
Small Commercial, 50 kW (October - May)	\$ 0.05650	\$ 0.05850

⁶ *Tariff Acknowledgement 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.*

⁸ Docket No. 24-066-T01, January 22, 2025, found at <https://psc.utah.gov/2025/01/22/docket-no-25-066-t01/>

Small Commercial 50 kW (June - September)	\$ 0.06502	\$ 0.06702
Large Commercial 2499 kW (October - May)	\$ 0.03150	\$ 0.03350
Large Commercial 2499 kW (June - September)	\$ 0.04002	\$ 0.04202
Large Commercial Time-of-Use 2499 kW (Off Peak)	\$ 0.03150	\$ 0.03350
Large Commercial Time-of-Use, up to 20kWh/kW (On Peak)	\$ 0.30802	\$ 0.30802
Large Commercial Time-of-Use, all other kWh (On Peak)	\$ 0.04002	\$ 0.04202
Off-Peak Interruptible Service, 2499 kW (October - May)	\$ 0.03150	\$ 0.03350
Off-Peak Interruptible Service 2499 kW (June - September)	\$ 0.04002	\$ 0.04202
Irrigation, 0 to 134 kWh's per kW	\$ 0.09812	\$ 0.09812
Irrigation, over 134 kWh's per kW	\$ 0.06412	\$ 0.06612
Interruptible Irrigation, 0 to 134 kWh's per kW	\$ 0.06680	\$ 0.06680
Interruptible Irrigation, over 134 kWh's per kW	\$ 0.04500	\$ 0.04700

No other changes were indicated in Dixie's redline version of the proposed tariff.⁹ All these changes are to energy charges and, according to Dixie's Cover Letter, are in response to changes in Dixie's cost of purchased wholesale power, which is covered by the WPCA and, thus, does not require board or federal approval or properly noticed public hearing.¹⁰ 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 ruled 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.¹¹ 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.¹² Dixie has become reliant upon this procedure and the Division has been unable to find any problems

⁹ *Tariff – Redline*, Docket No. 24-066-T01, January 22, 2025.

<https://pscdocs.utah.gov/electric/25docs/25066T01/337710TrfRdln1-22-2025.pdf>

¹⁰ *Cover Letter*, Docket No. 24-066-T01, January 22, 2025.

<https://pscdocs.utah.gov/electric/25docs/25066T01/337708CvrLtr1-22-2025.pdf>

¹¹ *Tariff Acknowledgment Letter from the Public Service Commission*, January 24, 2018.

¹² In Dockets No. 19-066-T01, 20--066-T01, 21-066-T01, and 22--066-T01.

that have resulted from this pattern of filing. The Division notes that Dixie filed its proposed tariff changes allowing for the requisite 30-day notice period.

Conclusion

The Division recommends that the Commission Acknowledge the revised tariff sheets and make them available for public inspection with an effective date of March 1, 2025.

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