

NOTICE OF INCREASE IN RATES AND CHARGES
DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
DOCKET NO. E-02044A-23-0094

In Decision No. 79320, dated April 18, 2024, the Arizona Corporation Commission approved a rate increase requested by Dixie Escalante Rural Electric Association, Inc. to levy the rates and charges listed below for all Arizona usage on and after May 1, 2024, which is consistent with the rates and charges in place for Dixie's Utah customers. The revised rates include an increased Service Availability Charge (formerly known as a facilities service charge) for residential customers from \$25.00 to \$29.00.

The Commission also approved revised service fees and service regulations, including increased impact fees for new service connections, as well as new rate tariffs for the following services: Residential Time-Of-Day, Small Commercial (0–100 Amps), Large Commercial Time-Of-Use, Industrial, and High-Density. Additionally, the Commission approved a new adjustor mechanism – the Wholesale Peak Season Cost Adjustment Mechanism – which will be in effect for billing months June through September, starting June 2024.

The revised rates and charges for each customer class are set forth below. Copies of the revised service fees and regulations and the new tariffs and can be found on Dixie's website at www.dixiepower.com. If you have any questions, please contact Dixie at 145 W Brigham Rd, St George UT 84790, 435-673-3297 or 866-673-3297 (toll free).

RESIDENTIAL

Service Availability Charge:	\$29.00
Energy Charge (kWh):	\$0.0660
WPCAM:	\$0.0040
WPSCAM:	\$0.00852

RESIDENTIAL TIME-OF-DAY [NEW]

Service Availability Charge:	\$29.00
Off Peak Energy Charge (kWh):	\$0.0500 (June – September); \$0.0660 (October – May)
On Peak Energy Charge (kWh):	\$0.1000 (June – September); \$0.0660 (October – May)
WPCAM:	\$0.0040
WPSCAM:	\$0.00852

SMALL COMMERCIAL (0–100 AMPs) [NEW]

Service Availability Charge:	\$29.00
Energy Charge (kWh):	\$0.0660
WPCAM:	\$0.0040
WPSCAM:	\$0.00852

SMALL COMMERCIAL

Service Availability Charge:	\$39.00
Energy Charge (kWh):	\$0.0570
First 20 kW:	-
Additional kW:	\$10.50
WPCAM:	\$0.0040
WPSCAM:	\$0.00852

LARGE COMMERCIAL

Service Availability Charge:	\$60.00
Energy Charge (kWh):	\$0.0320
All kW:	\$10.50
WPCAM:	\$0.0040
WPCAM:	\$0.00852

LARGE COMMERCIAL TIME-OF-USE [NEW]

Service Availability Charge:	\$60.00
Off-Peak Energy Charge (kWh):	\$0.0320
On-Peak Energy Charge (kWh):	\$0.3000 (up to 20 kWh/kW); \$0.0320 (all other kWh)
All kW:	\$5.00
WPCAM:	\$0.0040
WPCAM:	\$0.00852

INDUSTRIAL [NEW]

Service Availability Charge:	\$15.00
All kW:	\$31.715
Energy Charge:	Monthly Market Index*

HIGH DENSITY [NEW]

Service Availability Charge:	\$15.00
All kW:	\$31.715
Energy Charge:	Monthly Market Index*

OFF-PEAK

Service Availability Charge:	\$60.00
Energy Charge (kWh):	\$0.0320
All kW:	\$12.50
All kW – Off-Peak Hours:	\$5.00
WPCAM:	\$0.0040
WPCAM:	\$0.00852

IRRIGATION

Service Availability Charge:	\$60.00
0 to 134 kWh per kW:	\$0.0896
Over 134 kWh per kW:	\$0.0561
WPCAM (Over 134 kWh only):	\$0.0040
WPCAM:	\$0.00852

LIGHTING

Highway – per light:	\$14.88
Area/Street – per light:	\$12.00

*“Monthly Market Index”: The energy charge shall be equal to the highest forward price during the last five trading days of the previous calendar month for firm electric power and energy for all calendar days during the subsequent calendar month for firm power forward contracts, delivered at Palo Verde as determined by the Cooperative in any commercially reasonable manner based on published 7 x 24 hour prices or a weighted average on-peak and off-peak prices (based on the respective hours in each period during the Prompt Month). If published forward price data is unavailable for any calendar month, the

Cooperative shall obtain at least two representative price quotes from power marketers or brokers and shall base its determination of the Monthly Market Index on such good faith indicative price quotes.



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JIM O’CONNOR – CHAIRMAN
LEA MÁRQUEZ PETERSON
ANNA TOVAR
KEVIN THOMPSON
NICK MYERS

IN THE MATTER OF THE APPLICATION OF
DIXIE ESCALANTE RURAL ELECTRIC
ASSOCIATION, INC. FOR A DETERMINATION
OF THE FAIR VALUE OF ITS PROPERTY AND
FOR AN ORDER SETTING JUST AND
REASONABLE RATES.

DOCKET NO. E-02044A-23-0094

DECISION NO. 79320

OPINION AND ORDER

DATE OF HEARING: February 15, 2024
PLACE OF HEARING: Phoenix, Arizona
ADMINISTRATIVE LAW JUDGE: Julia L. Matter

APPEARANCES: Arizona Corporation Commission

DOCKETED

APR 18 2024

DOCKETED BY

KM

Ms. Jennifer A. Cranston, GALLAGHER & KENNEDY,
P.A., Attorney, on behalf of Dixie Escalante Rural
Electric Association, Inc.; and
Ms. Maureen A. Scott and Ms. Samantha Egan, Staff
Attorneys, Legal Division, on behalf of the Utilities
Division of the Arizona Corporation Commission.

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission (“Commission”) finds, concludes, and orders that:

FINDINGS OF FACT

Procedural History

1. On April 13, 2023, Dixie Escalante Rural Electric Association, Inc (“Dixie” or “Cooperative”) filed an application with the Commission for a determination of the fair value of its property and for an order setting just and reasonable rates.
2. On April 19, 2023, by Procedural Order, Dixie’s Consent to Email Service was approved.
3. Also on April 19, 2023, a Procedural Order was issued regarding Consent to Email

1 Service.

2 4. On May 15, 2023, the Commission's Utilities Division ("Staff") filed a Sufficiency
3 Letter stating that Dixie's application met the sufficiency requirements of Arizona Administrative Code
4 ("A.A.C.") R14-2-103 and that Dixie had been classified as a Class B utility.

5 5. On June 8, 2023, Staff and Dixie filed a Joint Proposed Procedural Schedule and
6 Proposed Form of Public Notice, setting forth proposed deadlines for filings and a proposed date of
7 hearing.

8 6. On June 9, 2023, by Procedural Order, a hearing was scheduled to commence on
9 February 15, 2024, and other procedural deadlines were set.

10 7. On August 3, 2023, Dixie filed an Affidavit of Publication certifying that notice of the
11 hearing was published in *The Kingman Miner* on July 21, 2023, and an Affidavit of Mailing certifying
12 that notice was mailed to each of the Cooperative's Arizona members on July 28, 2023, and added to
13 the Cooperative's website on July 17, 2023.

14 8. On November 9, 2023, Staff filed the Direct testimony of Mr. Reese Emert, Mr.
15 Chaunce De Roos, and Mr. Ryan Kern on issues other than rate design.

16 9. On November 30, 2023, Staff filed the Direct testimony of Mr. De Roos and Ms.
17 Candrea Allen on rate design issues.

18 10. On January 3, 2024, Dixie filed the Rebuttal testimony of Mr. LaDel Laub.

19 11. On January 9, 2024, Dixie filed a Notice Re Hearing Participation, indicating that its
20 counsel and witness would appear in person for the hearing.

21 12. On January 16, 2024, Staff filed a Notice of Manner of Participation indicating that its
22 counsel and witnesses would appear in person for the hearing.

23 13. On January 22, 2024, Staff filed the Surrebuttal testimony of Ms. Allen.

24 14. On January 30, 2024, Dixie filed the Rejoinder testimony of Mr. Laub.

25 15. On February 6, 2024, Dixie filed its list of exhibits to be presented at the hearing and a
26 matrix identifying the key issues in the case.

27 16. Also on February 6, 2024, Staff filed a Notice of Joining in Dixie Escalante Issues
28 Matrix.

1 17. On February 7, 2024, Staff filed its list of exhibits to be presented at the hearing.

2 18. Also on February 7, 2024, a telephonic prehearing conference was held as scheduled.

3 Dixie and Staff appeared through counsel.

4 19. On February 15, 2024, a full public hearing was held before a duly authorized
5 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. Dixie appeared
6 through counsel and presented the testimony of Mr. Laub, Dixie's Chief Executive Officer. Staff
7 appeared through counsel and presented the testimony of Ms. Allen, Public Utilities Manager, and Mr.
8 Emert, Public Utilities Analyst. Ms. Allen adopted the testimony of Mr. Kern and the parties stipulated
9 to the admission of the testimony of Mr. De Roos. At the hearing, the parties stated that they were in
10 agreement on all issues in the case. No members of the public appeared to provide public comment.
11 At the conclusion of the hearing, the matter was taken under advisement pending the submission of a
12 Recommended Opinion and Order for the Commission's consideration.

13 **Background**

14 20. Dixie is a member-owned Class B nonprofit electric distribution cooperative
15 incorporated in Utah. It provides service to 27,642 customers as of December 31, 2021, including
16 24,844 customers in Utah and 2,798 customers in Mohave County, Arizona.¹

17 21. Dixie is managed by a member-elected Board of Directors ("Board"), which includes
18 one Arizona member-Director.²

19 22. Dixie does not own generation resources and receives all of its power and energy from
20 Deseret Power Electric Cooperative ("Deseret"), a generation and transmission cooperative located in
21 Utah.³

22 23. Dixie's Arizona electrical transmission and distribution system includes 838 circuit-
23 miles of overhead transmission and distribution lines, and 673 cable-miles of underground distribution
24 lines.⁴

25 24. Dixie states that it has experienced significant growth in its service area and recently
26

27 ¹ Ex. A-1 at 1; Ex. S-4 at 2.

² Ex. A-1 at 1.

³ Ex. A-1 at 10.

⁴ Ex. S-5 at 2.

1 constructed a new substation in Arizona to serve new growth. Dixie anticipates growth to continue in
2 the near future.⁵

3 25. Staff conducted a site visit of Dixie's Arizona system, including its substations.⁶

4 26. Staff states that Dixie's peak system demand increased an average of 6.17% annually
5 from 2018 to 2022, from 156 megawatts ("MW") to 198 MW. In addition, the system load (energy
6 delivered), increased 5.97% annually over the same period, from 575,721 megawatt-hour ("MWh") to
7 716,723 MWh, and the Cooperative experienced an average annual system loss of 4.67%. In the next
8 five years, Dixie anticipates system demand will grow by 41 MW, or 19.62%, from 209 MW to 250
9 MW. Staff concluded that Dixie is operating and maintaining its electrical system properly and has an
10 acceptable level of system losses.⁷

11 27. Staff reviewed Dixie's distribution system operations and maintenance programs. Staff
12 states that Dixie has followed the Rural Utility Service standards for 75 years for powerline
13 construction and operations, and for line inspection and maintenance. Staff states that Dixie also
14 follows the National Rural Electric Cooperative Association's Rural Electrification Safety
15 Accreditation Program, for which it has been accredited for safety since 2006. In addition, Staff states
16 that the Cooperative's linemen conduct field inspections and can identify issues using smart devices
17 with powerline inspection software, and Dixie uses a System Control and Data Acquisition System,
18 which allows continuous system monitoring. Staff concluded that the Cooperative is carrying out
19 system improvements, upgrades, and new additions to meet current and projected load.⁸

20 28. Staff reviewed Dixie's outage information to analyze the quality of service provided to
21 customers. Staff concluded that Dixie's record of service interruptions indicates a satisfactory quality
22 of service.⁹

23 29. Staff's review of the Commission's Consumer Services records from January 1, 2020,
24 to October 10, 2023, found no complaints in 2020, one complaint in 2021 (new service), no complaints
25

26 ⁵ Tr. at 17, 25.

27 ⁶ Ex. S-5 at 2-3.

27 ⁷ Ex. S-5 at 3-4.

28 ⁸ Ex. S-5 at 6.

28 ⁹ Ex. S-5 at 4-5.

1 in 2022, and no complaints in 2023. The complaint in 2021 was resolved and closed.¹⁰

2 30. No opinions were received by the Commission regarding the current rate application.¹¹
 3 Dixie did not receive any communications from its members regarding the rate application after it was
 4 filed.¹²

5 **Summary of Rate Application**

6 31. Dixie's current rates and charges were approved in Decision No. 76222 (July 13, 2017).

7 32. Dixie states that its requested rate increase is necessitated by increased operating costs
 8 and on-going infrastructure improvements that directly benefit its Arizona members by enhancing
 9 reliability. In addition, the Cooperative states that the requested rates are designed to align the rates
 10 charged to Arizona members with the rates charged to Utah members, which went into effect for Utah
 11 members on March 1, 2023.¹³

12 33. Dixie's application uses a test year ending December 31, 2021.¹⁴

13 34. Dixie's application indicates that in the test year it experienced an operating loss of
 14 \$198,633 before interest expense on total revenues of \$3,417,173 from its Arizona operations.¹⁵

15 35. Dixie's application initially sought an increase in revenue of \$372,360 for its Arizona
 16 operations, or 10.9%, from test year revenue of \$3,417,173 to \$3,789,533, resulting in operating income
 17 of \$173,727 before interest expense.¹⁶

18 36. Staff recommends a revenue increase of \$447,978, or 13.1%, from test year revenue of
 19 \$3,417,173 to \$3,865,150, resulting in operating income of \$173,727 before interest expense.¹⁷ Dixie
 20 now agrees with Staff's recommendation.¹⁸

21 37. Dixie's application also proposes a new adjustor mechanism and rate design changes to
 22 address summer peaking concerns raised by Deseret. First, the Cooperative proposes to implement a
 23 separate wholesale peak season cost adjustor that is designed to pass along a new summer peak rate

24 ¹⁰ Ex. S-4 at 3.

25 ¹¹ Ex. S-4 at 3.

26 ¹² Tr. at 24.

27 ¹³ Ex. A-1 at 2, 3-4; Ex. S-4 at 2-3; Tr. at 20.

28 ¹⁴ Ex. A-1 at 2; Ex. S-4 at 3.

¹⁵ Ex. A-1 at 3; Ex. S-4 at 5.

¹⁶ Ex. A-1 at 2-3; Ex. S-4 at 2, Staff Schedule RJE-1.

¹⁷ Ex. S-4 at 4, Staff Schedule RJE-1 (\$1 discrepancy attributable to rounding).

¹⁸ Ex. A-2 at 2.

1 that Deseret will begin assessing in 2024. Second, the Cooperative proposes new optional time-of-day
 2 and time-of-use rates that will incentivize Residential and Large Commercial customers to reduce peak
 3 usage. In addition, Dixie proposes three new rate schedules currently available in Utah—a tariff for
 4 Small Commercial users and two contract rate tariffs for Large Industrial and High-Density members;
 5 and also proposes changes to its existing rate schedules and service regulations.¹⁹

6 38. Staff and the Cooperative are now in agreement on all matters in this case.²⁰

7 **Rate Base**

8 39. Dixie proposes an Original Cost Rate Base (“OCRB”) of \$8,304,269 for its Arizona
 9 operations. The Cooperative did not propose a Reconstruction Cost New Less Depreciation study;
 10 therefore, its Fair Value Rate Base (“FVRB”) is the same as its OCRB. Dixie states that it did not
 11 make any pro forma adjustments to its rate base and excluded construction work in progress. In
 12 addition, Dixie states that it subtracted \$34,963 of customer deposits and \$3,519,822 of impact fees
 13 from its calculation.²¹

14 40. Staff recommends adoption of the Cooperative’s proposed FVRB of \$8,304,269.²² Staff
 15 determined that the Cooperative’s plant facilities and equipment in service in Arizona are used and
 16 useful in the provision of service.²³

17 41. The FVRB proposed by Dixie and adopted by Staff is reasonable. Therefore, we find
 18 that Dixie’s FVRB for its Arizona operations is equivalent to its OCRB and is \$8,304,269.

19 **Operating Income and Expenses**

20 42. Dixie did not make any pro forma adjustments to its test year operating income.²⁴

21 43. Staff adopted Dixie’s proposed Arizona test year operating revenue of \$3,417,173.²⁵

22 44. Staff recommends one adjustment to the Cooperative’s total test year operating
 23 expenses, resulting in an increase of \$75,617, from \$3,615,807 as proposed by the Cooperative to
 24 \$3,691,424 as recommended by Staff. Staff increased Property Tax Expense by \$75,617, from \$80,270

25 ¹⁹ Ex. A-1 at 2; Ex. S-3 at 2-3.

26 ²⁰ Ex. A-3 at 1.

27 ²¹ Ex. A-1 at 4-5; Ex. A-2 at 2.

28 ²² Ex. S-4 at 4.

²³ Ex. S-5 at 6.

²⁴ Ex. A-1 at 5.

²⁵ Ex. S-4 at 5, Staff Schedule RJE-3.

1 to \$155,887, to correct an understatement of the expense.²⁶

2 45. In its Rebuttal testimony, Dixie acknowledged its understatement of property tax
3 expense and the Cooperative now agrees with Staff's determination of test year operating expenses.²⁷

4 46. The Cooperative's proposed Arizona test year revenue, adopted by Staff, is reasonable
5 and supported by the evidence, and we adopt it. Staff's adjustment to operating expenses also is
6 reasonable and should be adopted. Therefore, we find that for the test year, Dixie had total operating
7 revenue of \$3,417,173 and total operating expenses of \$3,691,424, resulting in a test year operating
8 loss of \$274,251 before interest expense for its Arizona operations.²⁸

9 **Revenue Requirement**

10 47. Dixie states that its requested revenue is designed to achieve rate parity between Arizona
11 and Utah customers. Dixie notes that cooperative revenue requirements normally are determined based
12 on an operating margin approach, and its Arizona operations produced an operating loss in the test year
13 that would justify a greater increase than it is requesting.²⁹

14 48. In its application, Dixie proposed an increase in Arizona revenues of \$372,360, which
15 it stated would produce operating income of \$173,727. The Cooperative states that the increase is
16 10.9% over test year revenues, but that the actual increase would be 7.67% compared to the total rates
17 in effect as of the date of filing the application. Dixie explains that a rate adjustment went into effect
18 in February 2023 pursuant to its Purchased Power Adjustor Mechanism ("PPAM"), increasing its
19 PPAM rate from \$0.0005 to \$0.0045 per kWh.³⁰

20 49. Staff recommends an increase in Arizona revenues of \$447,977, or 13.11%, from test
21 year revenue of \$3,417,173 to \$3,865,150, resulting in operating income of \$173,726 before interest
22 expense using Staff's recommended operating expenses of \$3,691,424.³¹

23 50. In its Rebuttal testimony, Dixie agreed with Staff's recommended revenue
24 requirement.³²

25 ²⁶ Ex. S-4 at 5, Staff Schedules RJE-3, RJE-4, and RJE-5.

26 ²⁷ Ex. A-2 at 2.

27 ²⁸ Ex. S-4 at 5, Staff Schedules RJE-3 and RJE-4.

28 ²⁹ Ex. A-1 at 3.

³⁰ Ex. A-1 at 4; Ex. S-3 at 2-3. The PPAM rate has now been revised to \$0.0040 per kWh as of February 2024.

³¹ Ex. S-4 at 4, Staff Schedules RJE-1 and RJE-3.

³² Ex. A-2 at 2.

1 51. Staff states that its recommended revenue and operating expenses results in a Debt
2 Service Coverage (“DSC”) ratio of 1.24, which Staff believes is adequate for the Cooperative to cover
3 its costs of service and debt service obligations, and to address contingencies. According to Staff, its
4 DSC calculation differs from the Cooperative. Staff states that the Cooperative’s estimated DSC of
5 1.92 is based on the methodology prescribed by the National Rural Utilities Cooperative Finance
6 Corporation, and includes revenues derived from activities that are not a part of the Cooperative’s core
7 electric retail sales business. Staff states that non-operative revenue can vary from year to year, and
8 Staff’s calculation measures the ability of the Cooperative to make its principal and interest payments
9 based solely on its core operating revenue. Staff believes that its calculation more reliably indicates
10 the ability of the Cooperative to meet its debt service obligations.³³

11 52. We find that Dixie and Staff’s approach to align the Cooperative’s rates with the rates
12 approved in Utah, and to target compliance with its financial covenants and ensure adequate cash flow,
13 as the basis for developing the proposed revenue requirement is reasonable and appropriate under the
14 circumstances, particularly because Dixie is a nonprofit utility with democratic governance by its
15 members. Therefore, we find that Dixie and Staff’s proposed revenue of \$3,865,150 for its Arizona
16 operations will result in adequate cash flow to cover operating expenses, meet the Cooperative’s debt
17 service obligations, while equitably aligning its Arizona rates with its Utah rates. Therefore, the
18 revenue requirement agreed to the parties is just and reasonable, and we adopt it.

19 **Rate Design**

20 **Cost of Service and Revenue Allocation**

21 53. Dixie prepared a cost of service study. However, the Cooperative states that it was not
22 used as the primary method for allocating revenue to the customer classes because Dixie’s Board and
23 management has adopted a policy to keep Arizona and Utah rates the same. The cost of service study
24 was considered by Dixie’s Board in developing the Utah rates, but the rates proposed here were
25 designed for parity between Arizona and the current rates for Utah members that went into effect on
26 March 1, 2023. Regardless, Dixie notes that the proposed rates align fairly consistently with the cost

27 _____
28 ³³ Ex. S-4 at 6-7; Tr. at 47. Dixie indicated that it did not object to the use of Staff’s DSC calculation methodology for the purposes of evaluating the requested rate increase. Ex. A-2 at 2.

1 of service study.³⁴

2 54. Staff reviewed and analyzed Dixie's cost of service study. Staff concludes that the
3 results of Dixie's cost of service study are satisfactory. Staff recommends that the cost of service study
4 model be used in future rate cases and that the cost allocation factors be accepted as reasonable.³⁵

5 55. Dixie proposes to allocate the revenue increase such that the rates for all classes except
6 for the lighting classes will increase. The rate for Highway Lighting will remain the same and the rate
7 for Street/Area Lighting will decrease. For the Residential, Commercial, and Industrial classes, Dixie's
8 proposal places most of the rate increase in its Service Availability Charge. The Cooperative states
9 that cost causation principles support increasing the minimum monthly charges because the majority
10 of its distribution-related costs are fixed and do not vary with the amount of kilowatt hours ("kWh")
11 used, and that collecting its fixed costs with fixed charges alleviates cash flow shortages and
12 surpluses.³⁶

13 56. The allocation of the proposed revenue increase by class is as follows:³⁷

	Present Rates	Proposed Rates	Increase (\$)	Increase (%)
Residential	\$2,549,843	\$2,851,505	\$301,662	11.83%
Small Commercial	408,147	452,340	44,193	10.83%
Large Commercial	320,770	340,143	19,373	6.04%
Irrigation	98,257	108,756	10,499	10.69%
Off-Peak	0	0	0	0.00%
Street/Area Lighting	23,744	20,376	(3,368)	-14.18%
Total	\$3,400,761	\$3,773,121	\$372,360	10.95%

19 Rate Schedules

20 57. Dixie states that its proposed rates are designed to maintain rate parity between its
21 Arizona and Utah members. With approval of the rates proposed here, rates for Arizona members will
22 be slightly higher than for Utah members due to increases in wholesale power costs.³⁸ Dixie is
23 proposing new optional rate schedules, new rate tariffs, and changes to its existing tariffs. The new
24 tariffs will make service schedules approved in Utah available to its Arizona members.³⁹

25 _____
26 ³⁴ Ex. A-1 at 6-7; Ex. A-2 at 6; Tr. at 27.

27 ³⁵ Ex. S-6 at 1-2.

28 ³⁶ Ex. A-1 at 6-7; Ex. S-1 at 2-3.

³⁷ Ex. S-1 at 3, Staff Schedule CLA-3.

³⁸ Tr. at 21, 25.

³⁹ Ex. S-1 at 5.

1 58. Dixie has a communication plan in place to communicate the new plan options and
2 changes to its members. That plan includes presenting the changes to its members at the annual meeting
3 scheduled for March 2024. Dixie also will provide mail or email information to its members after the
4 Decision in this matter is issued.⁴⁰

5 ***New Optional Rate Schedules***

6 59. Dixie proposes two new optional rate schedules to incentivize Residential and Large
7 Commercial customers to reduce peak usage. Dixie states that it developed these optional rate
8 schedules by analyzing composite meter readings and identifying the time periods when the
9 Cooperative incurred higher wholesale power costs. Dixie further states that it will conduct member
10 outreach regarding the voluntary tariffs using its website, written notices, and meetings.⁴¹

11 60. First, Dixie proposes a Time-of-Day rate tariff for Residential members that will include
12 the same Service Availability Charge and \$0.0660 per kWh rate as its standard tariff in October through
13 May. In June through September, the per kWh rate will increase to \$0.1000 during the on-peak hours
14 of 3:30 p.m. to 7:30 p.m., and will decrease to \$0.0500 during other times of the day.⁴²

15 61. In addition, Dixie proposes a Time-of-Use tariff for Large Commercial members that
16 will include the same demand rate and Service Availability charge as the standard tariff and the same
17 per kWh rate for off-peak usage (\$0.0320). On-peak usage, defined as 7:00 a.m. to 9:00 a.m. in
18 November through March, and 3:30 p.m. to 7:30 p.m. in April through October, will be subject to a
19 higher rate of \$0.3000 for the first 20 kWh per kW.⁴³

20 62. The optional rate schedules currently are available to Utah members and many members
21 are utilizing the tariffs. Dixie states that it incentivizes members to use the programs by offering rebates
22 for the installation of smart thermostats that make the new optional rates productive, and that the rebates
23 would be available to Arizona members as well.⁴⁴

24 ***New Rate Tariffs***

25 63. Dixie proposes three additional new tariffs—an additional Small Commercial tariff (0-

26 ⁴⁰ Tr. at 26.

27 ⁴¹ Ex. A-1 at 11-13.

⁴² Ex. A-1 at 11; Ex. S-1 at 4.

⁴³ Ex. A-1 at 11; Ex. S-1 at 4.

28 ⁴⁴ Tr. at 26-27.

1 100 Amps) and new tariffs for Industrial and High-Density members.⁴⁵

2 64. Dixie explains that the additional Small Commercial tariff mirrors a rate schedule that
3 has been in place in Utah and applies to small commercial users of 100 amps or less. The per kWh rate
4 would be \$0.0660, which is slightly higher than the \$0.0570 per kWh rate for the standard Small
5 Commercial tariff, but the Service Availability Charge is \$10 less and there are no separate demand
6 charges. Dixie states that the proposed tariff allows members to choose the rate structure that best fits
7 their particular circumstances.⁴⁶

8 65. Dixie states that the new tariffs for Industrial and High-Density service are for high-
9 load Industrial members with a minimum demand of 2500 kW and High-Density members with a
10 minimum demand of 200 kW and a minimum load density of 250 kWh per square foot. Dixie explains
11 that there currently are no such customers in Arizona, and in Utah such customers typically negotiate
12 contracts directly with Deseret. However, Dixie states that it developed these tariffs to pass along the
13 fixed and market-based rates it would be charged by Deseret in the event that such customers wanted
14 to take service from Dixie. The members would be charged a Service Availability Charge of \$15 per
15 kW per month with energy rates based on monthly market index figures and a demand rate of \$31.715
16 per kW per month.⁴⁷

17 ***Other Rate Changes***

18 66. Dixie proposes the following for its existing rate tariffs:⁴⁸

19 (1) Increasing the monthly service availability charge for its Residential, Small
20 Commercial, Large Commercial (including Off-Peak), and Irrigation members;

21 (2) Increasing the energy charges for Residential and Irrigation members;

22 (3) Decreasing the energy charges for its Small Commercial and Large Commercial
23 (including Off-Peak) members;

24 (4) Increasing the demand charges for the Small Commercial (above the first 20 kW)
25 and Large Commercial members;

26 _____
27 ⁴⁵ Ex. A-1 at 13.

⁴⁶ Ex. A-1 at 13; Ex. S-1 at 4-5.

⁴⁷ Ex. A-1 at 14; Ex. S-1 at 5.

⁴⁸ Ex. S-1 at 2.

- 1 (5) Decreasing the on-peak demand charge for Large Commercial Off-Peak members;
2 (6) Decreasing the monthly per-light charge for Area and Street Lighting members; and
3 (7) Maintaining the current monthly per-light charge for Highway Lighting members.

4 **Final Agreement**

5 67. Staff recommends approval of the rates and proposed by Dixie, which Staff concludes
6 are reasonable. Staff also reviewed the final rate tariffs prepared by Dixie and recommends their
7 approval.⁴⁹

8 68. The current and agreed upon rates are set forth in Exhibit A, attached hereto and
9 incorporated herein. The typical bill impacts as prepared by Staff for the proposed rates are set forth
10 in Exhibit B, attached hereto, although we note that the typical bill impacts do not reflect the reduction
11 in the PPAM rate to \$0.0040 per kWh as of February 2024. The final rate tariffs are attached hereto as
12 Exhibit C and incorporated herein.

13 69. We find that the COSS and revenue allocation are reasonable and supported by the
14 evidence. We further find that the rates agreed to by the parties are just and reasonable and therefore
15 we adopt them. We approve the rates set forth in Exhibit A attached hereto and the forms of tariffs in
16 Exhibit C attached hereto.

17 70. It is reasonable and appropriate to require Dixie to file with Docket Control, as a
18 compliance item in this Docket, final forms of all tariffs incorporating the rates and approvals contained
19 in this Decision by the end of the month prior to the effective date of the rates approved in this Decision.
20 It also is reasonable and appropriate to require Dixie to notify its members of the revised schedules of
21 rates and charges approved in this Decision, and their effective date, in a form acceptable to Staff, by
22 means of an insert in its next regular billing or by separate mailing, and by posting on its website; and
23 to file a copy of the notice with Docket Control, as a compliance item in this Docket, within 10 days
24 of the notice being sent to members. The information sent to members should include detailed
25 information about the new and optional rate schedules.

26 . . .

27
28

⁴⁹ Ex. S-1 at 3, 4, 5; Tr. at 43.

1 **Service Regulations and Fees**

2 **Service Fees**

3 71. Dixie proposes revisions to its service regulations and fees, including non-substantive
4 formatting and language changes, including replacing the term “customer” with “member,” and
5 substantive changes including updating its miscellaneous fees and charges, updating the impact fee
6 schedule, adding a stand-alone service termination policy, and adding an optional prepaid service
7 program that is currently available to Utah members. Dixie states that the substantive changes are
8 designed to align the Arizona fees with those charged to Utah members and to reflect actual costs
9 associated with its services.⁵⁰

10 72. The non-substantive language clarification changes include renaming the “Landlord
11 Rollover Fee” to “Account Change (No Service Call)” to describe the charge more accurately. Also,
12 renaming “Late Payment (Per Month & Per Total Bill)” to “Late Payment (Per Month & Per Unpaid
13 Balance)” to clarify that the current 1.5% late payment fee applies to any unpaid balance rather than
14 the total bill on a per month basis. In addition, revising the interest rate language to “Interest Rate Paid
15 by Cooperative on Member Deposits.” Last, Dixie added language indicating that the “Trip Charge”
16 is assessed only with in-person disconnections.⁵¹

17 73. Dixie proposes modifying the Tampering Charge to indicate that both the estimated
18 usage and the actual cost to repair or replace a damaged meter will be charged in addition to the \$200
19 Tampering Charge.⁵²

20 74. Dixie proposes adding language to its Connect Fee – After Hours to clarify that the
21 Connect Fee – After Hours charge is not an additional fee to the Connect Fee – Regular Hours Charge,
22 and to clarify that the current Connect Fee – After Hours charge of \$75 is for in-person service. Dixie
23 proposes a \$50 Connect Fee – After Hours charge for connections that are performed remotely.⁵³

24 75. Staff recommends approval of Dixie’s proposed modifications to its miscellaneous
25 service fees and charges. Staff believes that the changes provide clarity and transparency for
26

27 ⁵⁰ Ex. A-1 at 2, 16-17; Ex. S-1 at 7-8.

⁵¹ Ex. A-1 at 16-17; Ex. S-1 at 8.

⁵² Ex. A-1 at 16-17; Ex. S-1 at 8.

28 ⁵³ Ex. A-1 at 16-17; Ex. S-1 at 8.

1 members.⁵⁴

2 76. The proposed changes to Dixie's service fees, as discussed above, are reasonable and
3 supported by Staff, and we adopt them. The Service Fees are included in Dixie's proposed final Service
4 Regulations, attached hereto as Exhibit D and incorporated herein.

5 **Impact Fees**

6 77. Dixie proposes increases to its Impact Fees, noting that the costs associated with service
7 connections and reconnections have increased significantly since its last rate case. The Impact Fees
8 cover the costs associated with new transmission lines, substations, and main feeders that can be
9 required with the addition of new members. The proposed Impact Fees are identical to the current fees
10 for Utah members. Dixie's current Impact Fees and its proposed Impact Fees are as follows:⁵⁵

Residential and Single Phase Small Commercial	Current Impact Fee	Proposed Impact Fee
<u>Overhead System Connection</u>		
0 to 60 amps	\$550	\$825
61 to 200 amps	\$2,950	\$4,425
Each additional 200 amps, or portion thereof	\$1,950	\$2,925
<u>Underground System Connection</u>		
0 to 60 amps	\$700	\$1,050
61 to 200 amps	\$3,950	\$5,925
Each additional 200 amps, or portion thereof	\$2,950	\$4,425
All Commercial, Irrigation, etc.		Current Impact Fee
Installed capacity	\$82/kW	\$123/kVA

19 78. Staff reviewed cost support data for the proposed increases and recommends approval
20 of the proposed Impact Fees. Staff states that the increases will appropriately assign costs to the
21 members that incur them, reducing or eliminating subsidies between existing and new members, and
22 will align with the Impact Fees approved in Utah.⁵⁶

23 79. The proposed changes to Dixie's Impact Fees are reasonable and supported by Staff,
24 and we adopt them. The Impact Fees are included in Dixie's proposed final Service Regulation No.
25 10, included in Exhibit D attached hereto and incorporated herein.

27 ⁵⁴ Ex. S-1 at 8.

28 ⁵⁵ Ex. A-1 at 17; Ex. S-1 at 6-7; Tr. at 27.

⁵⁶ Ex. S-1 at 7.

1 **Service Regulations**

2 *Termination of Service*

3 80. Dixie proposes a new Service Regulation No. 12, which combines its existing
4 disconnection procedures as previously approved by the Commission into one section. Service
5 Regulation No. 12 combines portions of its current Service Regulation No. 8 (Billing) with the
6 disconnection procedures described in Decision No. 77364 (August 7, 2019), which granted Dixie a
7 waiver from the emergency disconnection rules adopted by the Commission. Dixie notes that A.A.C.
8 R14-2-214 grandfathers termination procedures previously approved by the Commission for electric
9 cooperatives.⁵⁷

10 81. Dixie requests one modification to its disconnection procedures, which is reflected in
11 its proposed Service Regulation No. 12. Dixie states that in Decision No. 77364, the Commission
12 required Dixie to include in-person notification and door hangers as part of its customer outreach prior
13 to disconnection. Dixie further states that in Utah, the Cooperative only attempts in-person notification
14 if attempted phone communications are not successful. Dixie states that this is more cost-effective but
15 equally successful at notifying members of potential disconnections for non-payment. Dixie indicates
16 that in Arizona, the process expends significant time and energy providing in-person notice to members
17 that already received notice by phone. Dixie proposes that it be required to attempt in-person
18 notification and leave a door hangar only if it is unable to reach the member by telephone.⁵⁸

19 82. Staff recommends approval of Dixie's proposed Service Regulation No. 12, included in
20 attached Exhibit D.⁵⁹ Staff's recommendation is reasonable, and we adopt it.

21 *Prepaid Service*

22 83. Dixie also requests approval of a prepaid service program in its new Service Regulation
23 No. 13, which it states has been in place in Utah since 2018. The voluntary residential program
24 eliminates the deposit requirement and fees for reconnection after disconnection for nonpayment. To
25 enroll, members are required to sign a Prepaid Program Agreement.⁶⁰

26 _____
27 ⁵⁷ Ex. A-1 at 18-19; Ex. A-2 at 9; Ex. S-1 at 13.

⁵⁸ Ex. A-1 at 18-19; Ex. A-2 at 9; Ex. S-1 at 13.

⁵⁹ Ex. S-1 at 18; Ex. S-2 at 4.

⁶⁰ Ex. A-1 at 19-20; Ex. S-1 at 15.

1 84. Dixie further explains that the prepaid service program allows members to prepay a
2 certain amount of electricity at a time rather than wait for a bill at the end of a 30-day cycle. When the
3 amount prepaid has been used up, members receive a notice that more money needs to be added to their
4 account. Dixie states that it provides members with more flexibility to pay less each time but more
5 often, which can be helpful for some members' financial management. Dixie indicates that the program
6 has been successful in Utah. Members have access to online accounts and can monitor their account
7 balance and add additional funds at any time. If the account runs out of funds, service is disconnected
8 after electronic (email or text) notice and reconnected without a fee once additional funds are added to
9 the account.⁶¹

10 85. Staff states that some of the existing provisions in Dixie's current service regulations
11 would not be applicable to the proposed prepaid service provisions, including provisions in Service
12 Regulation No. 7 – Metering, Service Regulation No. 8 – Billing, and Service Regulation No. 9 –
13 Deposits. In addition, Staff believes that several Commission rules would need to be waived with
14 respect to the proposed prepaid program, including: A.A.C. R14-2-203(B) (Deposits), A.A.C. R14-2-
15 209(A) (Company or customer meter reading), A.A.C. R14-2-210 (Billing and Collection), and A.A.C.
16 R14-2-211 (Termination of Service). In addition, Staff states that members should not be eligible for
17 the prepaid service program if A.A.C. R14-2-211(A)(5) applies to them. A.A.C. R14-2-211(A)(5)
18 prohibits a utility from terminating service if the customer establishes that termination of service would
19 be especially dangerous for the health of the customer or resident, or if there is medically necessary
20 equipment used in the home.⁶²

21 86. Staff recommends approval of Dixie's prepaid service program with the following
22 conditions:⁶³

23 (1) Waiver of A.A.C. R14-2-203(B) (Deposits), A.A.C. R14-2-209(A) (Company or
24 customer meter reading), A.A.C. R14-2-210 (Billing and Collection), and A.A.C. R14-2-211
25 (Termination of Service) for prepaid members.

26 (2) Members for whom A.A.C. R14-2-211(A)(5) applies will not be eligible for prepaid

27 ⁶¹ Tr. at 28-30, 38-39.

28 ⁶² Ex. S-1 at 16-17.

⁶³ Ex. S-1 at 17.

1 service.

2 (3) Dixie include language in Service Regulation No. 13 (Prepaid Service) specifying
3 the Commission Rules that would not apply for prepaid service.

4 87. Regarding Staff's recommendation that members for which A.A.C. R14-2-211(A)(5)
5 applies should not be eligible for the program, Dixie notes that it received a waiver of A.A.C. R14-2-
6 211(A)(5) pursuant Decision No. 77364 and A.A.C. R14-2-214(A). However, consistent with Decision
7 No. 77364 and its proposed Service Regulation No. 12 (Termination of Service), Dixie believes that
8 the objective of Staff's recommendation can be accomplished by requiring members who enroll in the
9 program to certify that no person residing at the premises is on life support equipment or has some
10 other documented medical condition that would make service termination especially dangerous.⁶⁴

11 88. Dixie incorporated Staff's recommendations into a revised Service Regulation No. 13,⁶⁵
12 which is included in the attached Exhibit D. Staff recommends approval of the revised proposed
13 Service Regulation No. 13.⁶⁶ Staff's recommendations and conditions are reasonable, and we adopt
14 them.

15 **Reporting Requirements**

16 **Quarterly Interconnection Reports**

17 89. Dixie requests that the Commission discontinue the quarterly interconnection reporting
18 requirement set forth in Decision No. 77653 (June 30, 2020) because it believes the reports are no
19 longer necessary. Decision No. 77653 granted Dixie a partial waiver of the Commission's rules
20 addressing the interconnection of distributed generation facilities, but required Dixie (1) to submit
21 quarterly reports to Staff identifying the number of Arizona interconnection requests, and (2) to notify
22 Staff in the event that the Cooperative deviates from the application processing timeframes established
23 in the Commission's rules. Dixie states that in addition to the quarterly reports, Dixie files the annual
24 reports required by A.A.C. R14-2-2626, and that the information in the quarterly and annual reports is
25 largely duplicative. Dixie indicates that the Commission initially was concerned with timely
26 processing of interconnection requests, but Dixie maintains that the quarterly reports submitted thus

27 ⁶⁴ Ex. A-2 at 11.

28 ⁶⁵ Ex. A-3 at 3

⁶⁶ Ex. S-2 at 5.

1 far indicate that its process is working, and it has received and approved a total of eight interconnection
2 applications without issue. Dixie states that it will continue to file the annual reports, and will continue
3 to comply with the requirement to notify Staff if it deviates from the established application processing
4 timeframes, and thus its request is limited to waiver of the quarterly report filing requirements.⁶⁷

5 90. Staff reviewed Dixie's quarterly interconnection reports and its annual interconnection
6 reports. Staff determined that both sets of reports accurately report the number of Arizona
7 interconnection requests received during the reporting periods. Staff agrees that the information
8 included in the quarterly and annual reports is largely duplicative. Because Dixie will continue to
9 submit the annual interconnection reports required by A.A.C. R14-2-2626 and will continue to comply
10 with the requirement of notifying Staff of any deviation from the Commission's application processing
11 timeframes, Staff recommends that the Commission grant Dixie's request and eliminate the
12 requirement for quarterly interconnection reports as set forth in Decision No. 77653.⁶⁸

13 91. Dixie's request is reasonable and supported by Staff, and we adopt it. Dixie will no
14 longer be required to submit quarterly interconnection reports, but must continue to file the annual
15 interconnection reports required by A.A.C. R14-2-2626 and must continue to comply with the
16 requirement in Decision No. 77653 to notify Staff in the event that the Cooperative deviates from the
17 application processing timeframes established in the Commission's rules.

18 **Termination of Service Reports**

19 92. Dixie also requests a waiver of the annual filing requirements set forth in A.A.C. R14-
20 2-211(A)(6)(f) and (A)(17), which require reports addressing the process of termination of service for
21 residential customers and addressing its payment plan policy. Dixie states that once the Commission
22 approves its proposed Service Regulation No. 12, the annual filings would only refer back to the
23 Commission-approved regulation and thus would be unnecessary.⁶⁹

24 93. Staff believes that a waiver of these provisions is not necessary because A.A.C. R14-2-
25 214(A) states that "[t]he terms and conditions for termination of service, including customer notice, in
26 an electric cooperative's tariff approved by the Commission prior to the effective date of this Section

27 ⁶⁷ Ex. A-1 at 2, 20-22.

28 ⁶⁸ Ex. S-5 at 7-8.

⁶⁹ Ex. A-1 at 19.

1 shall substitute for the provisions of R14-2-211,” and thus the Cooperative is exempt from A.A.C. R14-
2 2-211(A)(6)(f) and (A)(17), including the reporting requirements.⁷⁰

3 94. In response to Staff’s position, Dixie indicated that it has received notices from the
4 Commission’s Compliance section requesting that it file such annual reports. Dixie requests that this
5 Decision affirm Staff’s interpretation that it is exempt from the reporting requirements under A.A.C.
6 R14-2-214(A).⁷¹

7 95. We find that it is reasonable and appropriate to confirm that Dixie is exempt from the
8 reporting requirements set forth in A.A.C. R14-2-211(A)(6)(f) and R14-2-211(A)(17) pursuant to
9 A.A.C. R14-2-214.

10 **Base Cost of Power**

11 96. The base cost of power is the portion of base rates that recovers the test year purchased
12 power expense, and is calculated by dividing the test year purchased power expense by the number of
13 kWh sold in the test year.⁷²

14 97. Dixie’s current base cost of power was approved in Decision No. 76222 and is
15 \$0.040732 per kWh.

16 98. Dixie did not make any pro forma adjustments to its base cost of power. The
17 Cooperative proposes a base cost of power of \$0.041073 per kWh, which was based on actual 2021
18 test year purchase power costs and kWh usage.⁷³

19 99. Staff reviewed and agreed with Dixie’s base cost of power calculation. Staff
20 recommends approval of Dixie’s proposed base cost of power of \$0.041073 per kWh.⁷⁴

21 100. We adopt a base cost of power of \$0.041073 per kWh.

22 **Adjustor Mechanisms**

23 **Existing Purchased Power Adjustor Mechanism**

24 101. Dixie’s PPAM allows the Cooperative to recover or refund the difference between the
25

26 ⁷⁰ Ex. S-1 at 14-15.

27 ⁷¹ Ex. A-2 at 10.

⁷² Ex. S-3 at 3.

⁷³ Ex. A-1 at 15; Ex. S-3 at 4.

28 ⁷⁴ Ex. S-3 at 4.

1 base cost of power included in base rates and the actual cost of power.⁷⁵ Dixie’s existing PPAM for its
2 Arizona service territory was approved by the Commission in Decision No. 74082 (September 23,
3 2013).

4 102. Dixie proposes to continue its existing PPAM, which it proposes renaming as the
5 Wholesale Power Cost Adjustment Mechanism (“WPCAM”) for consistency with its Utah adjustor.
6 Dixie states that the adjustor has successfully allowed increases and decreases in purchased power to
7 be passed to customers on a timely basis. Dixie notes that purchased power accounts for 60% of its
8 total operating expenses, and thus continued authorization of the adjustor is critical. Dixie proposes
9 changing the name to be more descriptive and to align with the name of the mechanism in its Utah
10 tariffs, but did not propose any other changes to the mechanism.⁷⁶

11 103. Dixie states that a revised adjustor rate went into effect in February 2023 based on the
12 difference between the base cost of power (\$0.040732) plus the adjustor in effect in 2022 (\$0.0005)
13 and the actual cost per kWh in 2022 (\$0.045244). Based on the PPAM Plan of Administration
14 (“POA”), because the actual 2022 purchased power costs exceeded the base plus adjustor, Dixie
15 rounded to the nearest increment of \$0.0005 and increased the adjustor from \$0.0005 to \$0.00045.⁷⁷
16 Dixie states that the adjustor rate was again revised and reduced in February 2024, and the Cooperative
17 requests that the revised rate of \$0.0040 per kWh be used as the initial WPCAM rate authorized in this
18 proceeding.⁷⁸

19 104. Staff states that the adjustor rate should not be reset to zero in this rate case because the
20 actual purchased power costs from 2022 indicate that the base cost of power proposed by Dixie and
21 recommended by Staff in this case would not have met Dixie’s 2022 purchased power expenses. Staff
22 argues that “[m]aintaining the current adjustor rate in place reinforces the efficacy of utilizing 2021
23 test year data and demonstrates the effectiveness of the mechanism.” Staff agrees with Dixie that the
24

25 ⁷⁵ Ex. S-3 at 5.

26 ⁷⁶ Ex. A-1 at 2, 15; Ex. A-2 at 3; Ex. S-3 at 7; Tr. at 31.

27 ⁷⁷ Ex. A-1 at 14-15. The POA provides that if the difference between the base cost plus the adjustor rate, if any, and the
28 actual total cost per kWh for the current period is less than \$0.0005 per kWh, Dixie does not reset the adjustor, but if the
difference is more than \$0.0005 per kWh, the adjustment is rounded up or down to the nearest increment of \$0.0005 per
kWh. The adjustor rate is reset on February 1 of each year and continues through January of the following year. Ex. S-3
at 5-6.

⁷⁸ Ex. A-2 at 5; Ex. A-3 at 2; Tr. at 23.

1 WPCAM rate should be set at the rate that became effective February 1, 2024.⁷⁹

2 105. Staff states that the existing PPAM does not include a bank balance component and if a
3 bank balance component was implemented, the PPAM would operate differently than it does in Utah.
4 Staff also notes that because Dixie is a nonprofit cooperative, if the PPAM results in over-recovery,
5 then the overcollections are returned to members as capital credits.⁸⁰

6 106. Staff recommends the Commission approve continuation of the current PPAM with the
7 name changed proposed by the Cooperative and with the rate effective as of February 1, 2024.⁸¹ Staff's
8 recommendations are reasonable, and we adopt them.

9 **New Wholesale Peak Season Cost Adjustment Mechanism**

10 107. Dixie proposes a new Wholesale Peak Season Cost Adjustment Mechanism
11 ("Wholesale PSCAM"). Dixie states that increased usage, particularly during the summer peak season,
12 has strained resources and Deseret intends to implement additional charges associated with new or
13 contracted resources that are necessary to meet peak demand, including a new 50-MW natural gas-
14 fired plant. Deseret intends to use the new charges for debt service for new construction and planned
15 future peaking resources, which will allow Deseret eventually to provide energy to its members during
16 peak times that is more economical, while reducing the risk of purchased power market volatility.
17 Dixie anticipates that such new rates will be implemented by Deseret in 2024, and the Wholesale
18 PSCAM is designed to pass through those additional charges. Dixie notes that its usage doubles in the
19 summer months over the winter season.⁸²

20 108. Dixie states that the Wholesale PSCAM will further incentivize members to reduce
21 summer usage and will ensure that the additional charges from Deseret do not place the Cooperative in
22 financial jeopardy.⁸³

23 109. The Wholesale PSCAM would apply during the peak months of June through
24 September.⁸⁴

25 _____
26 ⁷⁹ Ex. S-3 at 6; Ex. S-2 at 2.

27 ⁸⁰ Ex. S-3 at 7.

28 ⁸¹ Ex. S-3 at 8; Ex. S-2 at 2.

⁸² Ex. A-1 at 10, 11-12; Ex. S-1 at 9; Tr. at 17, 23-24, 33-34.

⁸³ Ex. A-1 at 12.

⁸⁴ Ex. A-1 at 12; Ex. S-1 at 9-10.

1 110. The Wholesale PSCAM would not apply to the new proposed Industrial and High
2 Density classes, the State Highway Lighting class, and the Area/Street Lighting class.⁸⁵

3 111. Dixie anticipates incurring an additional rate of \$8.52/MWh from Deseret and thus
4 Dixie proposes to set the initial Wholesale PSCAM rate at \$0.00852 per kWh, which it would begin
5 assessing on June 1, 2024. Revenue received by Deseret from its member systems is eligible for rebate
6 if the assessments paid by all Deseret members plus output from Deseret resources exceeds total system
7 load minus total debt service and financing costs paid during the year on peaking resource projects
8 placed in service after January 1, 2022. Any rebate would be factored into the Deseret assessment for
9 the following year, which Dixie would pass along to its members via the Wholesale PSCAM rate.⁸⁶

10 112. Dixie will file annual adjustments in conjunction with its annual adjustment filings for
11 its existing PPAM (to be renamed WPCAM). Dixie anticipates that will receive the necessary
12 calculations from Deseret each January and will be able to calculate its Wholesale PSCAM rate and
13 include it in its annual updated tariff filings with the Commission.⁸⁷

14 113. Dixie states that if the Wholesale PSCAM is approved, Dixie will conduct outreach with
15 its members to explain the mechanism using its website, written notices, and meetings.⁸⁸

16 114. Staff recommends approval of Dixie's proposed Wholesale PSCAM.⁸⁹ Staff's
17 recommendation is reasonable, and we adopt it.

18 **Plan of Administration**

19 115. Dixie proposes a POA that addresses both the WPCAM and the Wholesale PSCAM.
20 Dixie believes that a combined POA will be more transparent and will provide a better explanation for
21 how the two mechanisms operate and relate to other. The POA describes how the Cooperative will
22 track purchased power costs assessed by Deseret during the summer months, and how the Cooperative
23 will differentiate between those costs for purposes of determining the separate WPCAM and Wholesale
24 PSCAM adjustor rates.⁹⁰

25 _____
26 ⁸⁵ Ex. S-1 at 9.

⁸⁶ Ex. S-1 at 10-11.

27 ⁸⁷ Ex. S-1 at 11-12.

⁸⁸ Ex. A-1 at 13.

⁸⁹ Ex. S-1 at 12.

28 ⁹⁰ Ex. A-2 at 5-6.

1 116. Staff agrees that it is appropriate to include the WPCAM and the Wholesale PSCAM in
2 a single POA for efficiency. In its Surrebuttal testimony, Staff proposed two clarifying modifications
3 to the POA language initially proposed in Dixie’s Rebuttal testimony.⁹¹

4 117. Dixie incorporated the clarifying language proposed by Staff in its final WPCAM and
5 Wholesale PSCAM POA, which was reviewed and approved by Staff and is attached hereto as Exhibit
6 E.⁹²

7 118. We find that the Proposed WPCAM and Wholesale PSCAM POA is reasonable and we
8 approve it.

9 **CONCLUSIONS OF LAW**

10 1. Dixie is a public service corporation within the meaning of Article XV of the Arizona
11 Constitution and A.R.S. §§ 40-250, and 40-251.

12 2. The Commission has jurisdiction over Dixie and the subject matter of the rate
13 application.

14 3. Dixie provided notice of the application in accordance with Arizona Law.

15 4. Based on the evidence presented and the agreement of the parties, Dixie has a FVRB of
16 \$8,304,269.

17 5. The rates, charges, and conditions of service authorized herein are just, reasonable, and
18 in the public interest.

19 6. It is just and reasonable and in the public interest to approve the continuation of Dixie’s
20 WPCAM as discussed herein.

21 7. It is just and reasonable and in the public interest to approve Dixie’s proposed Wholesale
22 PSCAM as discussed herein.

23 8. Staff’s recommendations are just and reasonable and in the public interest, and should
24 be adopted.

25 ...

26 ...

27 _____

28 ⁹¹ Ex. S-2 at 2-3.
⁹² Ex. A-3 at 3; Tr. at 43.

ORDER

1
2 IT IS THEREFORE ORDERED that Dixie Escalante Rural Electric Association is hereby
3 directed to file, on or before April 30, 2024, revised schedules of its rates and charges and final forms
4 of all rate tariffs and service schedules consistent with the findings herein.

5 IT IS FURTHER ORDERED that the rates and charges approved in this Decision shall be
6 effective for all service provided on and after May 1, 2024.

7 IT IS FURTHER ORDERED that Dixie Escalante Rural Electric Association shall notify its
8 members of the authorized rates and charges approved in this Decision, and their effective dates, by
9 means of an insert in its next regular billing or by separate mailing, and by posting on its website, in a
10 form acceptable to Staff, and shall file a copy of the notice with Docket Control, as a compliance item
11 in this Docket, within 10 days of the notice being sent to customers. The information sent to members
12 should include detailed information about the new and optional rate schedules and the new Wholesale
13 Peak Season Cost Adjustment Mechanism.

14 IT IS FURTHER ORDERED that the Dixie Escalante Rural Electric Association's proposed
15 Impact Fees are hereby approved.

16 IT IS FURTHER ORDERED that Dixie Escalante Rural Electric Association's proposed
17 Service Fees and Service Regulations, attached hereto as Exhibit D, including the revised Impact Fees
18 included in Service Regulation No. 10 (Line Extension Policy), new Service Regulation No. 12
19 (Service Termination), and new Service Regulation No. 13 (Prepaid Service), are hereby approved.

20 IT IS FURTHER ORDERED that Dixie Escalante Rural Electric Association is authorized to
21 continue its purchased power mechanism, to be renamed the Wholesale Power Cost Adjustment
22 Mechanism, at the current rate of \$0.0040 per kWh.

23 IT IS FURTHER ORDERED that Dixie Escalante Rural Electric Association's proposed
24 Wholesale Peak Season Cost Adjustment Mechanism is hereby approved.

25 IT IS FURTHER ORDERED that the Wholesale Power Cost Adjustment Mechanism and
26 Wholesale Peak Season Cost Adjustment Mechanism Plan of Administration, attached hereto as
27 Exhibit E, is hereby approved.

28 IT IS FURTHER ORDERED discontinuing the quarterly interconnection reporting

1 requirements from Decision No. 77653.

2 IT IS FURTHER ORDERED confirming Dixie Escalante Rural Electric Association's
3 exemption from the annual filing requirements set forth in A.A.C. R14-2-211(A)(6)(f) and R14-2-
4 211(A)(17).

5 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

7
8 
9 CHAIRMAN O'CONNOR


COMMISSIONER MARQUEZ PETERSON

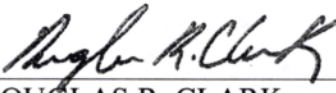
10
11 
12 COMMISSIONER TOVAR


COMMISSIONER THOMPSON


COMMISSIONER MYERS



13 IN WITNESS WHEREOF, I, DOUGLAS R. CLARK,
14 Executive Director of the Arizona Corporation Commission,
15 have hereunto set my hand and caused the official seal of the
16 Commission to be affixed at the Capitol, in the City of Phoenix,
17 this 18th day of April 2024.


DOUGLAS R. CLARK
EXECUTIVE DIRECTOR

19
20 DISSENT _____

21
22 DISSENT _____
JLM/(gb)

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1 SERVICE LIST FOR:

DIXIE ESCALANTE RURAL ELECTRIC
ASSOCIATION, INC.

2 DOCKET NO.:

E-02044A-23-0094

3 Jennifer A. Cranston

4 GALLAGHER & KENNEDY, P.A

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5 Phoenix, AZ 85016-9225

Attorneys for Dixie Escalante Rural Electric Association, Inc.

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7 **Consented to Service by Email**

8 Legal Division

ARIZONA CORPORATION COMMISSION

9 1200 West Washington Street

Phoenix, AZ 85007

10 LegalDiv@azcc.gov

utildivservicebyemail@azcc.gov

11 **Consented to Service by Email**

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EXHIBIT A

Dixie Escalante Rural Electric Cooperative, Inc.
Docket No. E-02044A-23-0094
Test Year Ended December 31, 2021

Comparison of Current and Proposed Rates				
		Company and Staff Proposed		
Residential	Current	Proposed	\$ Change	% Change
Service Availability Charge	\$25.00	\$29.00	\$4.00	16.0%
Energy Charge (kWh)	0.0580	0.0660	0.0080	13.8%
PPAM	0.0045	0.0040	(0.0005)	-11.1%
		Company		
Residential TOD*	Current	Proposed	\$ Change	% Change
Service Availability Charge	N/A	\$29.00	N/A	N/A
Off-Peak per kWh Oct-May	N/A	0.0660	N/A	N/A
On-Peak per kWh Oct-May	N/A	0.0660	N/A	N/A
Off-Peak per kWh Jun-Sep	N/A	0.0500	N/A	N/A
On-Peak per kWh Jun-Sep	N/A	0.1000	N/A	N/A
PPAM	N/A	0.0040	N/A	N/A
		Company		
Small Commercial	Current	Proposed	\$ Change	% Change
Service Availability Charge	\$30.00	\$39.00	\$9.00	30.0%
Energy Charge (kWh)	0.0530	0.0570	0.0040	7.5%
First 20 kW	0.00	0.00	0.00	0.0%
Additional kW	10.00	10.50	0.50	5.0%
PPAM	0.0045	0.0040	(0.0005)	-11.1%
		Company		
Very Small Commercial*	Current	Proposed	\$ Change	% Change
Service Availability Charge	N/A	\$29.00	N/A	N/A
Energy Charge (kWh)	N/A	0.0660	N/A	N/A
PPAM	N/A	0.0040	N/A	N/A

		Company			
Large Commercial		Current	Proposed	\$ Change	% Change
Service Availability Charge		\$50.00	\$60.00	\$10.00	20.0%
Energy Charge (kWh)*		0.0280	0.0320	0.0040	14.3%
All kW		10.00	10.50	0.50	5.0%
PPAM		0.0045	0.0040	(0.0005)	-11.1%
		Company			
Large Commercial TOU*		Current	Proposed	\$ Change	% Change
Service Availability Charge		N/A	\$60.00	N/A	N/A
Off-Peak kWh		N/A	0.0320	N/A	N/A
On-Peak 0 to 20 kWh per kW		N/A	0.3000	N/A	N/A
On-Peak Over 20 kWh per kW		N/A	0.0320	N/A	N/A
All kW		N/A	5.00	N/A	N/A
PPAM		N/A	0.0040	N/A	N/A
		Company			
Irrigation		Current	Proposed	\$ Change	% Change
Service Availability Charge		\$50.00	\$60.00	\$10.00	20.0%
0 to 134 kWh per kW		0.0856	0.0896	0.0040	4.7%
Over 134 kWh per kW		0.0471	0.0561	0.0090	19.1%
PPAM		0.0045	0.0040	(0.0005)	-11.1%
The PPAM only applies to the Over 134 kWh per kW block					
		Company			
Off-Peak		Current	Proposed	\$ Change	% Change
Service Availability Charge		\$50.00	\$60.00	\$10.00	20.0%
All kWh		0.0280	0.0320	0.0040	14.3%
All kW-On Peak hours		30.00	12.50	(17.50)	-58.3%
All kW-Off Peak hours		5.00	5.00	0.00	0.0%
PPAM		0.0045	0.0040	(0.0005)	-11.1%
		Company			
Lighting		Current	Proposed	\$ Change	% Change
Area/Street Lighting-per light		\$14.00	\$12.00	(\$2.00)	-14.3%
Highway Lighting-per light		14.88	14.88	0.00	0.0%

		Company			
Industrial*		Current	Proposed	\$ Change	% Change
Service Availability Charge (per kW per month)		N/A	\$15.00	N/A	N/A
Energy Charge (kWh)*		N/A	MMI**	N/A	N/A
All kW		N/A	31.715	N/A	N/A
PPAM		N/A	0.00	N/A	N/A
		Company			
High Density*		Current	Proposed	\$ Change	% Change
Service Availability Charge (per kW per month)		N/A	\$15.00	N/A	N/A
Energy Charge (kWh)*		N/A	MMI**	N/A	N/A
All kW		N/A	31.715	N/A	N/A
PPAM		N/A	0.00	N/A	N/A

*New proposed service schedules. Therefore there are no current rates.

** "Monthly Market Index": The energy charge shall be equal to the highest forward price during the last five trading days of the previous calendar month for firm electric power and energy for all calendar days during the subsequent calendar month for firm power forward contracts, delivered at Palo Verde as determined by the Cooperative in any commercially reasonable manner based on published 7 x 24 hour prices or a weighted average on-peak and off-peak prices (based on the respective hours in each period during the Prompt Month). If published forward price data is unavailable for any calendar month, the Cooperative shall obtain at least two representative price quotes from power marketers or brokers and shall base its determination of the Monthly Market Index on such good faith indicative price quotes.

Exhibit B

Dixie Escalante Rural Electric Cooperative, Inc.
Docket No. E-02044A-23-0094
Test Year Ended December 31, 2021

Bill Analysis

*Note: All proposed Bill Analyses include the \$0.00450 per kWh PPAM rate effective as of February 1, 2023

Residential		Company and Staff			
		Present Bill	Proposed Bill	Difference (\$)	Difference (%)
	kWh				
	60	\$28.75	\$32.96	\$4.21	14.64%
	100	31.25	35.60	4.35	13.92%
	200	37.50	42.20	4.70	12.53%
	500	56.25	62.00	5.75	10.22%
	775	73.44	80.15	6.71	9.14%
	1,000	87.50	95.00	7.50	8.57%
	1,500	118.75	128.00	9.25	7.79%
	2,000	150.00	161.00	11.00	7.33%
	2,500	181.25	194.00	12.75	7.03%
	3,000	212.50	227.00	14.50	6.82%
	4,000	275.00	293.00	18.00	6.55%
	5,000	337.50	359.00	21.50	6.37%
	Facilities Service Charge	\$25.00	\$29.00		
	Energy Charge	0.0580	0.0660		

Residential TOD*	Company and Staff			
	Present Bill	Proposed Bill	Difference (\$)	Difference (%)
kWh				
60	N/A	\$32.45	N/A	N/A
100	N/A	34.75	N/A	N/A
200	N/A	40.50	N/A	N/A
500	N/A	57.75	N/A	N/A
775	N/A	73.56	N/A	N/A
1,000	N/A	86.50	N/A	N/A
1,500	N/A	115.25	N/A	N/A
2,000	N/A	144.00	N/A	N/A
2,500	N/A	172.75	N/A	N/A
3,000	N/A	201.50	N/A	N/A
4,000	N/A	259.00	N/A	N/A
5,000	N/A	316.50	N/A	N/A
Facilities Service Charge	N/A	\$29.00		
Off-Peak per kWh Oct-May	N/A	0.0660		
On-Peak per kWh Oct-May	N/A	0.0660		
Off-Peak per kWh Jun-Sep	N/A	0.0500		
On-Peak per kWh Jun-Sep	N/A	0.1000		
(a) Assumes 15% on peak & 85% off peak @ Summer rate				
(b) Present rates include February 2023 adjustor				

Small Commercial		Company and Staff			
		Present Bill	Proposed Bill	Difference (\$)	Difference (%)
kW	kWh				
< 20	500	\$58.75	\$67.50	\$8.75	14.89%
< 20	750	73.13	81.75	8.63	11.79%
< 20	1,000	87.50	96.00	8.50	9.71%
< 20	1,250	101.88	110.25	8.38	8.22%
< 20	1,500	116.25	124.50	8.25	7.10%
< 20	2,000	145.00	153.00	8.00	5.52%
< 20	2,500	173.75	181.50	7.75	4.46%
< 20	2,750	188.13	195.75	7.63	4.05%
< 20	3,000	202.50	210.00	7.50	3.70%
< 20	3,250	216.88	224.25	7.38	3.40%
< 20	3,500	231.25	238.50	7.25	3.14%
< 20	3,750	245.63	252.75	7.13	2.90%
21	4,000	270.00	277.50	7.50	2.78%
22	4,250	294.38	302.25	7.88	2.68%
23	4,750	333.13	341.25	8.13	2.44%
24	5,000	357.50	366.00	8.50	2.38%
25	5,250	381.88	390.75	8.88	2.32%
26	5,500	406.25	415.50	9.25	2.28%
27	5,750	430.63	440.25	9.63	2.24%
28	6,000	455.00	465.00	10.00	2.20%
29	6,250	479.38	489.75	10.38	2.16%
30	6,500	503.75	514.50	10.75	2.13%
31	6,750	528.13	539.25	11.13	2.11%
32	7,000	552.50	564.00	11.50	2.08%
33	7,250	576.88	588.75	11.88	2.06%
34	7,500	601.25	613.50	12.25	2.04%
35	7,750	625.63	638.25	12.63	2.02%
36	8,000	650.00	663.00	13.00	2.00%
37	8,250	674.38	687.75	13.38	1.98%
38	8,500	698.75	712.50	13.75	1.97%
39	8,750	723.13	737.25	14.13	1.95%
40	9,000	747.50	762.00	14.50	1.94%
41	9,250	771.88	786.75	14.88	1.93%
42	9,500	796.25	811.50	15.25	1.92%
43	9,750	820.63	836.25	15.63	1.90%
44	10,000	845.00	861.00	16.00	1.89%
45	10,250	869.38	885.75	16.38	1.88%
46	10,500	893.75	910.50	16.75	1.87%
47	10,750	918.13	935.25	17.13	1.87%
48	11,000	942.50	960.00	17.50	1.86%

	49	11,250	966.88	984.75	17.88	1.85%
Facilities Service Charge			\$30.00	\$39.00		
Energy Charge			0.0530	0.0570		
First 20 kW			0.00	0.00		
Additional kW			10.00	10.50		

Very Small Commercial*	Company and Staff					
			Present Bill	Proposed Bill	Difference (\$)	Difference (%)
	kW	kWh				
	< 20	500	N/A	\$62.00	N/A	N/A
	< 20	750	N/A	78.50	N/A	N/A
	< 20	1,000	N/A	95.00	N/A	N/A
	< 20	1,250	N/A	111.50	N/A	N/A
	< 20	1,500	N/A	128.00	N/A	N/A
	< 20	2,000	N/A	161.00	N/A	N/A
	< 20	2,500	N/A	194.00	N/A	N/A
	< 20	2,750	N/A	210.50	N/A	N/A
	< 20	3,000	N/A	227.00	N/A	N/A
	< 20	3,250	N/A	243.50	N/A	N/A
	< 20	3,500	N/A	260.00	N/A	N/A
	< 20	3,750	N/A	276.50	N/A	N/A
	21	4,000	N/A	293.00	N/A	N/A
	22	4,250	N/A	309.50	N/A	N/A
	23	4,750	N/A	342.50	N/A	N/A
	24	5,000	N/A	359.00	N/A	N/A
	25	5,250	N/A	375.50	N/A	N/A
	26	5,500	N/A	392.00	N/A	N/A
	27	5,750	N/A	408.50	N/A	N/A
	28	6,000	N/A	425.00	N/A	N/A
	29	6,250	N/A	441.50	N/A	N/A
	30	6,500	N/A	458.00	N/A	N/A
Facilities Service Charge			N/A	\$29.00		
Energy Charge			N/A	0.0660		

			Company and Staff			
			Present Bill	Proposed Bill	Difference (\$)	Difference (%)
Large Commercial	kW	kWh				
	10	2,000	\$215.00	\$229.00	\$14.00	6.51%
	16	3,161	310.78	327.10	16.32	5.25%
	20	4,000	380.00	398.00	18.00	4.74%
	25	5,000	462.50	482.50	20.00	4.32%
	50	10,000	875.00	905.00	30.00	3.43%
	75	15,000	1,287.50	1,327.50	40.00	3.11%
	100	20,000	1,700.00	1,750.00	50.00	2.94%
	125	25,000	2,112.50	2,172.50	60.00	2.84%
	150	30,000	2,525.00	2,595.00	70.00	2.77%
	175	35,000	2,937.50	3,017.50	80.00	2.72%
	200	40,000	3,350.00	3,440.00	90.00	2.69%
	225	45,000	3,762.50	3,862.50	100.00	2.66%
	250	50,000	4,175.00	4,285.00	110.00	2.63%
	500	100,000	8,300.00	8,510.00	210.00	2.53%
	931	186,120	15,404.90	15,787.14	382.24	2.48%
	1,250	250,000	20,675.00	21,185.00	510.00	2.47%
Facilities Service Charge			\$50.00	\$60.00		
Energy Charge			0.0325	0.0320		
All kW			10.00	10.50		

Large Commercial TOU*			Company and Staff			
			Present Bill	Proposed Bill	Difference (\$)	Difference (%)
	kW	kWh				
	10	2,000	N/A	\$227.60	N/A	N/A
	16	3,161	N/A	324.89	N/A	N/A
	20	4,000	N/A	395.20	N/A	N/A
	25	5,000	N/A	479.00	N/A	N/A
	50	10,000	N/A	898.00	N/A	N/A
	75	15,000	N/A	1,317.00	N/A	N/A
	100	20,000	N/A	1,736.00	N/A	N/A
	125	25,000	N/A	2,155.00	N/A	N/A
	150	30,000	N/A	2,574.00	N/A	N/A
	175	35,000	N/A	2,993.00	N/A	N/A
	200	40,000	N/A	3,412.00	N/A	N/A
	225	45,000	N/A	3,831.00	N/A	N/A
	250	50,000	N/A	4,250.00	N/A	N/A
	500	100,000	N/A	8,440.00	N/A	N/A
	931	186,120	N/A	15,656.86	N/A	N/A
	1,250	250,000	N/A	21,010.00	N/A	N/A
Facilities Service Charge			N/A	\$60.00		
Off-Peak kWh			N/A	0.0320		
On-Peak 0 to 20 kWh per kW			N/A	0.3000		
On-Peak Over 20 kWh per kW			N/A	0.0320		
All kW			N/A	5.00		
(a) Assumes 10% on peak & 90% off peak						

Irrigation			Company and Staff			
	kW	kWh	Present Bill	Proposed Bill	Difference (\$)	Difference (%)
	20	10,000	\$657.12	\$710.78	\$53.66	8.17%
	30	15,000	960.68	1,036.17	75.49	7.86%
	40	20,000	1,264.24	1,361.56	97.32	7.70%
	50	25,000	1,567.80	1,686.95	119.15	7.60%
	60	30,000	1,871.36	2,012.34	140.98	7.53%
	70	35,000	2,174.92	2,337.73	162.81	7.49%
	80	40,000	2,478.48	2,663.12	184.64	7.45%
	90	45,000	2,782.04	2,988.51	206.47	7.42%
	100	50,000	3,085.60	3,313.90	228.30	7.40%
	120	60,000	3,692.72	3,964.68	271.96	7.36%
	140	70,000	4,299.84	4,615.46	315.62	7.34%
	160	80,000	4,906.96	5,266.24	359.28	7.32%
	180	90,000	5,514.08	5,917.02	402.94	7.31%
	200	100,000	6,121.20	6,567.80	446.60	7.30%
	250	125,000	7,639.00	8,194.75	555.75	7.28%
	300	150,000	9,156.80	9,821.70	664.90	7.26%
Facilities Service Charge			\$50.00	\$60.00		
0 to 134 kWh per kW			0.0856	0.0896		
Over 134 kWh per kW			0.0471	0.0561		

		Company and Staff				
		Present Bill	Proposed Bill	Difference (\$)	Difference (%)	
Off-Peak	kW	kWh				
	3	500	\$78.75	\$88.50	\$9.75	12.38%
	5	1,000	107.50	117.00	9.50	8.84%
	8	1,500	136.25	145.50	9.25	6.79%
	10	2,000	165.00	174.00	9.00	5.45%
	13	2,500	193.75	202.50	8.75	4.52%
	25	5,000	337.50	345.00	7.50	2.22%
	50	10,000	625.00	630.00	5.00	0.80%
	75	15,000	912.50	915.00	2.50	0.27%
	100	20,000	1,200.00	1,200.00	0.00	0.00%
	150	30,000	1,775.00	1,770.00	(5.00)	-0.28%
	200	40,000	2,350.00	2,340.00	(10.00)	-0.43%
	250	50,000	2,925.00	2,910.00	(15.00)	-0.51%
	375	75,000	4,362.50	4,335.00	(27.50)	-0.63%
	500	100,000	5,800.00	5,760.00	(40.00)	-0.69%
	Facilities Service Charge		\$50.00	\$60.00		
	Energy Charge		0.0325	0.0320		
All kW-On Peak hours		30.00	12.50			
All kW-Off Peak Hours		5.00	5.00			

		Company and Staff			
		Present Bill	Proposed Bill	Difference (\$)	Difference (%)
Lighting	Area Lighting	\$14.00	\$12.00	(\$2.00)	-14.3%
	Highway Lighting	14.88	14.88	0.00	0.0%

*Proposed service schedule with no Arizona customers currently taking service.

Staff did not include the proposed Industrial or High Density service schedules because those are contract based service schedules.

Exhibit C**Electric Rates for Arizona**

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
 71 EAST HIGHWAY 56
 BERYL, UTAH 84714

ARIZONA
 RESIDENTIAL SERVICE

Service made available to Residential members of the Cooperative under this rate schedule shall be single phase 120/240 volts. If 50 percent or more of the electrical energy supplied to the premises is used for other than residential domestic purposes, the premises will be classified as non-residential and electric service shall be provided under the appropriate non-residential schedule.

Service Availability Charge:	\$29.00	per month
Energy Charge Billing Months October – May:	\$0.0660	per kWh
Energy Charge Billing Months June – September:	\$0.0660	per kWh
Wholesale Power Cost Adjustment Mechanism:	\$0.0040	per kWh
Wholesale Peak Season Cost Adjustment Mechanism:	\$0.00852	per kWh

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative'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.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through 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.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
RESIDENTIAL SERVICE OPTIONAL TIME-OF-DAY

Service made available to Residential members of the Cooperative under this rate schedule shall be single phase 120/240 volts who voluntarily agree to the Time-of-Day rate conditions. If 50 percent or more of the electrical energy supplied to the premises is used for other than residential domestic purposes, the premises will be classified as non-residential and electric service shall be provided under the appropriate non-residential schedule.

Service Availability Charge:	\$29.00	per month
Wholesale Power Cost Adjustment Mechanism:	\$0.0040	per kWh
Wholesale Peak Season Cost Adjustment Mechanism:	\$0.00852	per kWh

Billing Months – June Through September

Off-Peak: Energy Charge:	All kWh's @ \$0.0500	per kWh
On-Peak: Energy Charge:	All kWh's @ \$0.1000	per kWh

Time Periods: June through September billing months
 On-Peak: 3:30PM through 7:30PM
 Off-Peak: All other times not listed above.

Energy use during off-peak and on-peak periods will be monitored by utilization of a Time-of-Day meter.

Billing Months – October Through May

Energy Charge:	All kWh's @ \$.0660	per kWh
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WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative'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.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through September on-peak energy 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.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
SMALL COMMERCIAL SERVICE
(0-100 Amps)

Service made available to Small Commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a maximum service size of 100 Amps.

Service Availability Charge:	\$29.00	per month
Energy Charge Billing Months October – May:	\$0.0660	per kWh
Energy Charge Billing Months June – September:	\$0.0660	per kWh
Wholesale Power Cost Adjustment Mechanism:	\$0.0040	per kWh
Wholesale Peak Season Cost Adjustment Mechanism:	\$0.00852	per kWh

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative'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.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through 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.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
SMALL COMMERCIAL SERVICE
(50 kW Maximum)

Service made available to Small Commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a maximum demand of 50 kW. Such rate shall apply to members with usage that does not exceed the 50 kW maximum 7 months out of a calendar year.

Service Availability Charge:	\$39.00	per month
Energy Charge Billing Months October – May:	\$0.0570	per kWh
Energy Charge Billing Months June – September:	\$0.0570	per kWh
Demand Charge:	First 20 kW	\$0.00
	Additional kW	\$10.50 per kW per month
Wholesale Power Cost Adjustment Mechanism:	\$0.0040	per kWh
Wholesale Peak Season Cost Adjustment Mechanism:	\$0.00852	per kWh

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative'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.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through 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.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
LARGE COMMERCIAL
(2499 kW Maximum)

Service made available to Large Commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a minimum demand of 50 kW and a maximum demand of 2499 kW.

Service Availability Charge:	\$60.00	per month
Energy Charge Billing Months October – May:	\$0.0320	per kWh
Energy Charge Billing Months June – September:	\$0.0320	per kWh
Demand Charge:	\$10.50 per kW	per month
Wholesale Power Cost Adjustment Mechanism:	\$0.0040	per kWh
Wholesale Peak Season Cost Adjustment Mechanism:	\$0.00852	per kWh

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative'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.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through 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.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their

effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
LARGE COMMERCIAL TIME-OF-USE SERVICE
(2499 kW Maximum)

Service made available to Large Commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a minimum demand of 50 kW and a maximum demand of 2499 kW.

Service Availability Charge:	\$60.00	per month
Demand Charge:	\$5.00	per kW per month
Wholesale Power Cost Adjustment Mechanism:	\$0.0040	per kWh
Wholesale Peak Season Cost Adjustment Mechanism:	\$0.00852	per kWh

Off-Peak:

Energy Charge: All kWh's @ \$0.0320 per kWh

On-Peak:

Energy Charge: All kWh's up to 20kWh/kW @ \$0.3000 per kWh

Energy Charge: All other kWh's @ \$0.0320 per kWh

Demand and Energy use during off-peak and on-peak periods will be monitored by utilization of a Time-of-Use meter.

Winter Schedule: October 1 through May 31
On-Peak: 7:00AM through 9:00AM
Off-Peak: All other times not listed above.

Summer Schedule: June 1 through September 30
On-Peak: 3:30PM through 7:30PM
Off-Peak: All other times not listed above.

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative'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.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through 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.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
INDUSTRIAL
(2500 kW Minimum)

Service made available to Industrial members of the Cooperative under this rate schedule shall be for non-domestic use, three phase with a minimum demand of 2500 kW.

Service Availability Charge:	\$15.00	per kW per month
Demand Charge:	\$31.715	per kW per month
Energy Charge:	Monthly Market Index	

“Monthly Market Index” for each Billing Period shall be equal to the highest forward price during the last five (5) trading days of the previous calendar month for firm electric power and energy for all calendar days during the subsequent calendar month (“Prompt Month”) for which such Monthly Market Index is to be determined, for firm power forward contracts, delivered at Palo Verde (“PALO”), as determined by the Cooperative in any commercially reasonable manner based on published 7 x 24 hour prices or a weighted average on-peak and off-peak prices (based on the respective hours in each period during the Prompt Month). If published forward price data is unavailable for any calendar month, the Cooperative shall obtain at least two representative price quotes from power marketers or brokers and shall base its determination of the Monthly Market Index on such good faith indicative price quotes.

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

PERFORMANCE ASSURANCE: As a condition to receiving any service hereunder, member will transfer Performance Assurance to or for the benefit of the Cooperative in an amount equal to the Collateral Requirement, at least fifteen (15) days prior to commencement of any service hereunder and shall at all times maintain Performance Assurance as a condition of continued service hereunder in an amount at least equal to the Collateral Requirement.

“Performance Assurance” means a security deposit collateral in the form of a standby Letter of Credit or performance bond and/or other security in form and subject to terms and conditions that are acceptable to the Cooperative in its sole and absolute discretion.

“Collateral Requirement” means an amount (not less than zero) calculated by the Cooperative as follows: 100% of the amount to be paid pursuant to the terms of this rate schedule for all deliveries of electric power and energy and other services or charges to member hereunder for a period of ninety (90) days, based on the Cooperative’s reasonable estimate of the rates and charges expected to be incurred for service to member on account of all loads hereunder.

CONTRACT OPTION: The Cooperative may offer negotiated contracts with terms of three years or longer, with substantial take-or-pay provisions for targeted demand and energy, with rates and terms more favorable than this tariff.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
HIGH DENSITY
(200 kW Minimum with Density greater than 250 kWh/square foot)

Service made available to High Density members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase, with a minimum demand of 200 kW and a minimum load density of 250 kWh/square foot or if, in the Cooperative's business judgment, the member is physically capable of relocation within an abbreviated time interval, and placed into operation for similar business purposes.

Service Availability Charge:	\$15.00	per kW per month
Demand Charge:	\$31.715	per kW per month
Energy Charge:	Monthly Market Index	

"Monthly Market Index" for each Billing Period shall be equal to the highest forward price during the last five (5) trading days of the previous calendar month for firm electric power and energy for all calendar days during the subsequent calendar month ("Prompt Month") for which such Monthly Market Index is to be determined, for firm power forward contracts, delivered at Palo Verde ("PALO"), as determined by the Cooperative in any commercially reasonable manner based on published 7 x 24 hour prices or a weighted average on-peak and off-peak prices (based on the respective hours in each period during the Prompt Month). If published forward price data is unavailable for any calendar month, the Cooperative shall obtain at least two representative price quotes from power marketers or brokers and shall base its determination of the Monthly Market Index on such good faith indicative price quotes.

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the

Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

PERFORMANCE ASSURANCE: As a condition to receiving any service hereunder, member will transfer Performance Assurance to or for the benefit of the Cooperative in an amount equal to the Collateral Requirement, at least fifteen (15) days prior to commencement of any service hereunder and shall at all times maintain Performance Assurance as a condition of continued service hereunder in an amount at least equal to the Collateral Requirement.

“Performance Assurance” means a security deposit collateral in the form of a standby Letter of Credit or performance bond and/or other security in form and subject to terms and conditions that are acceptable to the Cooperative in its sole and absolute discretion.

“Collateral Requirement” means an amount (not less than zero) calculated by the Cooperative as follows: 100% of the amount to be paid pursuant to the terms of this rate schedule for all deliveries of electric power and energy and other services or charges to member hereunder for a period of ninety (90) days, based on the Cooperative’s reasonable estimate of the rates and charges expected to be incurred for service to member on account of all loads hereunder.

CONTRACT OPTION: The Cooperative may offer negotiated contracts with terms of three years or longer, with substantial take-or-pay provisions for targeted demand and energy, with rates and terms more favorable than this tariff.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
OFF-PEAK SERVICE
(2499 kW Maximum)

Service made available to large commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a minimum demand of 50 kW and a maximum demand of 2499 kW. Service rendered hereunder shall be interruptible at member's election. The member will reimburse the Cooperative for all metering and load management equipment costs incurred.

Service Availability Charge:	\$60.00	per month
Energy Charge Billing Months October – May:	\$0.0320	per kWh
Energy Charge Billing Months June – September:	\$0.0320	per kWh
Wholesale Power Cost Adjustment Mechanism:	\$0.0040	per kWh
Wholesale Peak Season Cost Adjustment Mechanism:	\$0.00852	per kWh
Demand Charge:	<ol style="list-style-type: none"> 1. 5.00 per kW per month for use at off-peak times specified by the Cooperative. 2. 12.50 per kW per month for use at times other than those specified in part 1 above. 	

Load shall be interrupted using one of the following options as determined by the Cooperative.

1. Utilizing the Cooperative's current load management system. Such interruption will be automatic during peak hours.
2. Member will interrupt loads daily during the Cooperative's designated peak hours. This will be monitored by utilization of a Time-of-Use meter.

Winter Schedule: November 1 through March 31
On-Peak: 7:00AM through 9:00AM
Off-Peak: All other times not listed above.

Summer Schedule: April 1 through October 31
On-Peak: 3:30PM through 7:30PM
Off-Peak: All other times not listed above.

3. For member loads which are periodic, member will contact the Cooperative daily during periods of use to determine peak hours.

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative'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.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through 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.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
IRRIGATION PUMPING SERVICE
(2499 kW Maximum)

This schedule is available to qualifying members of the Cooperative receiving service for irrigation pumping, and is applicable to all irrigation services with a 10 H.P. minimum.

Service Availability Charge:		\$60.00	per month
Energy Charge:	0 to 134 kWh's per kW (0 to 100 kWh's per H.P.)	\$0.0896	per kWh
	Over 134 kWh's per kW (Over 100 kWh's per H.P.)	\$0.0561	per kWh
Wholesale Power Cost Adjustment Mechanism:		\$0.0040	per kWh
Wholesale Peak Season Cost Adjustment Mechanism:		\$0.00852	per kWh

The kW for billing purposes shall be the maximum kW used during each month.

Service under this rate schedule will be disconnected at the end of October, unless prior arrangements are made. Those whose service remains connected will be billed monthly for the Service Availability Charge plus kWh charges.

Service under this rate schedule will be connected in April, unless prior arrangements are made. Members connected in April are not charged a connect fee, but those connecting at any other time will be charged a \$30 connect fee.

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above energy charge for over 134 kWh per kW is 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.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through 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.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
STATE HIGHWAY LIGHTING
(400 Watt Maximum)

Available to State Highway Lighting projects of the Cooperative.

Monthly Charge: \$14.88 per light

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION
71 EAST HIGHWAY 56
BERYL, UTAH 84714

ARIZONA
AREA/STREET LIGHTING
(200 Watt Maximum)

Available to all customers of the Cooperative.

Monthly Charge: \$12.00 per light

Effective:

EXHIBIT D

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.RATES AND CHARGES FOR OTHER SERVICES

<u>Description of Service</u>	<u>Rate</u>
Connect Fee - Regular Hours	\$30.00
Connect Fee - After Hours*	\$75.00 / \$50.00
Meter Testing Fee**	\$60.00
Meter Reread Fee	\$30.00
Insufficient Funds Check	\$25.00
Trip Charge***	\$20.00
Account Change (No Service Call)	\$10.00
Tampering****	\$200.00 plus Usage & Cost
Late Payment (Per Month & Per Unpaid Balance)	1.50%
Deposit*****	
Interest Rate Paid by Cooperative on Member Deposits	6.00%

* This fee (\$75 for in-person service and \$50 for remote) is not charged in addition to the Regular Hours Connect Fee.

** This fee will apply if a meter test is less than 2% in error and the meter has been tested more than once during a 12-month period.

*** This charge will be applied only when a Member is subject to in-person disconnection for non-payment, the service order has been processed, and a meter technician has been dispatched.

**** \$200 plus the estimated usage and the cost to repair or replace the damaged meter.

***** Shall not exceed three times the average monthly bill.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

INDEX OF
ELECTRIC SERVICE REGULATIONS
STATE OF ARIZONA

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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 1

STATE OF ARIZONA

GENERAL PROVISIONS

1. These Electric Service Regulations are designed to govern the supplying and receiving of electrical service to all who desire it within the Cooperative's service area at the lowest price consistent with the highest standards of service.
2. These Regulations supersede all previous regulations, and may be revised upon approval of the regulatory authority.
3. To the extent a specific term of condition of service is not addressed herein, the rules regulating electric service prescribed by the Arizona Corporation Commission are hereby adopted and are made a part of these Regulations and Tariff.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 2

STATE OF ARIZONA

GENERAL DEFINITIONS

The following terms when used in this Tariff and in the Application or Agreement for Electric Service shall have the meanings given below unless clearly indicated otherwise:

- (a) Cooperative - Dixie-Escalante Rural Electric Association, Inc.
- (b) Member - An individual, partnership, corporation, organization, governmental agency, political subdivision, municipality or other entity contracting with the Cooperative for electric service at one location and at one point of delivery.
- (c) Electric Service - The availability of electric power and energy at the Member's point of delivery at the approximate voltage and for the purposes specified in the Application for Electric Service, Electric Service Agreement or Contract, irrespective of whether electric power and energy is actually used.
- (d) Point of Delivery - The point, unless otherwise specified in the Application for Electric Service, Electric Service Agreement or Contract, at which the Cooperative's service wires are connected with wires or apparatus of the Member. If the Cooperative's service wires are connected with wires or apparatus of the Member at more than one point, each connecting point shall be considered a separate Point of Delivery, unless the additional connecting points are made by the Cooperative for its sole convenience in supplying service. Any additional service supplied by the Cooperative at a different voltage or phase classification shall also be considered a separate Point of Delivery. Each Point of Delivery shall be separately metered and billed.

- (e) Member's Installation - The wiring and apparatus owned by the Member and on his side of the Point of Delivery (except the Cooperative's meter installation) useful in connection with the Member's ability to take service.
- (f) Power - Electric Power measured in kilowatts (kW). For billing purposes, Power is the Member's maximum use of electricity shown by or computed from the readings of Cooperative's kilowatt meter for a 15-minute period, unless otherwise specified in the applicable rate schedule; at the option of the Cooperative, it may be determined either by periodic tests or by permanent meters. Power peaks due to accidents which the Member could not have guarded against will be disregarded.
- (g) Energy - Electric Energy measured in kilowatt-hours. For billing purposes, Energy is the Member's total use of electricity measured in kilowatt-hours during any month.
- (h) Month - The period of approximately thirty (30) days intervening between regular, successive meter reading dates.
- (i) Year - The period between the date of commencement of service under Application for Electric Service, Electric Service Agreement or Contract and the same day of the following calendar year.
- (j) Power Factor - The percentage determined by dividing Member's average power use in kilowatts (Real Power) by the average kilovolt-ampere power load (Apparent Power) imposed upon Cooperative by Member.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 3

STATE OF ARIZONA

ELECTRIC SERVICE AGREEMENTS

1. Application for Service

Each prospective Member desiring electric service shall be required to sign the Cooperative's standard Application for Service and associated Right-of-Way forms.

2. Implied Service Agreement

In the absence of a signed Agreement or Application for Service, the delivery of electric service by the Cooperative and the acceptance thereof by the Member shall be deemed to constitute an agreement by and between the Cooperative and the Member for delivery and acceptance of electrical service under the terms of the rate applicable to such service.

3. Electric Service Agreement, Rate Schedule, and Electric Service Regulations

These regulations and the applicable rate schedule are hereby made a part of each agreement for purchase of power, expressed or implied. In case of a conflict between any of the provisions of the agreement of purchase of power, Rate Schedule and the Electric Service Regulations, the provisions of the Rate Schedule will take precedence.

4. Renewal and Termination

At the expiration of the term stated in the agreement for purchase of power, or any renewal thereof, or any extended term thereof, the agreement for purchase of power shall be automatically renewed for a like term, unless either the Cooperative or the Member notifies the other in writing six (6) months prior to termination date or unless otherwise stated in the agreement for purchase of power.

5. Members Obligation to Fulfill Agreement

Where the Member entirely suspends operations during the agreement period, the Member is still obligated to pay the minimum rates as set by the agreement for purchase of power until such agreement terminates.

6. Remedies For The Cooperative

For any default or breach by Member of a service agreement or failure to pay bills promptly, Cooperative may terminate the service agreement or suspend the supply of service. No such termination or suspension will occur without at least ten (10) days written notice to the Member stating in what particular manner the agreement for purchase of power has been violated, except in cases of theft or unauthorized use or disposition of service by Member or in case of a dangerous condition on a Member's side of the point of delivery of which the Cooperative is made aware.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 4

STATE OF ARIZONA

SUPPLY & USE OF SERVICE1. Supply of Service

The Cooperative rates are based upon the furnishing of electric service to a Member at a single point of delivery and at a single voltage and a specified phase classification. Each individual residential user, each separately operated business activity, and each separate building will be considered an individual Member for billing purposes; except that, if several buildings are occupied and used by one Member in the operation of a single business, the Cooperative will furnish service for the entire group of buildings through one service connection at point of delivery, provided all such buildings are located on contiguous property not separated by property of other ownership or divided by public streets, roads, alleys, other public thoroughfares, railroad tracks or waterways.

2. Member's Use of Service

Electric Service will be supplied only under the applicable rates to be determined from time to time in accordance with the Bylaws of the Cooperative, provided however that the Cooperative may limit the amount of electric energy to be furnished for industrial uses.

3. Continuity of Service

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electrical power and energy but, if such supply should fail or be interrupted or become defective through an act of God, the public enemy, by accident, strikes, labor trouble, by action of the elements or inability to secure right-of-way or other permits needed or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable therefore.

4. Strikes, Accidents and Restrictions

Strikes, labor troubles, accidents, litigations, State, Federal or local government interference or other causes affecting third parties shall not relieve Member of liability for payment of minimum bills or any term minimum guarantees.

5. Suspension of Service for Repairs and Changes

For the purpose of making repairs to or changes in Cooperative plant, generating equipment, transmission or distribution system or other property, the Cooperative may, without incurring any liability therefrom, suspend service for such period as may be required but will endeavor to avoid unnecessary inconvenience to the Member. Whenever possible the Cooperative will give reasonable notice prior to suspension of service.

6. Member's Responsibility

The Member assumes all responsibility on the Member's side of the point of delivery for service supplied or taken and will indemnify and defend the Cooperative against all claims, demands, costs or expenses for loss, damage or injury to persons or property in any manner connected directly or indirectly with the transmission or use of electric service by the Member at or on the Member's side of the point of delivery.

7. Access to Premises

The Cooperative shall be granted by the Member all the necessary permission to enable the Cooperative to install and/or maintain, reconstruct, rephase, repair and operate the electrical installation in order to carry out its contract. The Cooperative shall have the right, through its agents or other employees, to enter upon the premises of the Member at all reasonable times for the purpose of reading, inspecting, removing metering devices, apparatus and wiring of the Cooperative and for all other purposes incident to the supplying or discontinuance of service.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 5

STATE OF ARIZONA

MEMBER'S INSTALLATION

1. Member's Installation and Equipment

All wires and equipment (except Cooperative's meters and accessories) on the Member's side of the point of delivery must be installed and maintained at the expense of the Member. All wires, apparatus and equipment shall be selected with a view to obtaining safety, efficiency, good voltage regulation, and the highest practical power factor and shall comply with the standards of the National Electrical Safety Code issued by the National Bureau of Standards and the National Electric Code of the National Board of Fire Underwriters and also with regulations of any governmental authority having jurisdiction.

2. Service Entrances and Connections

The Member shall provide a suitable service entrance to the premises to be served at the point specified by the Cooperative. Such entrance facilities shall provide a structurally sound point of attachment or support for the Cooperative's service conductors which will permit the clearances required by law.

3. Member Load and Operations

The Cooperative reserves the right to refuse to connect or supply service to any applicant or to any Member where such connection or service will adversely affect the service supplied to its other Members or where the applicant or Member has not complied with state, municipal or Cooperative regulations.

Suitable protective devices on the Member's premises may be required at Member's expense whenever the Cooperative deems such installation necessary to protect its property or that of its other Members.

The Member shall provide devices adequate to protect his equipment from high and low voltage and from overload. Three-phase

motors should be protected against reversal of phase rotation and 'single-phasing'. The Cooperative will make every reasonable effort to avoid phase-reversal and 'single-phasing' but the Member should provide adequate protection for his equipment.

4. Inspection by Cooperative

The Cooperative shall have the right, but does not assume the duty, to inspect Member's installation at any reasonable time and to refuse to commence or to continue service whenever it does not consider such installation to be in good operating condition. Inspection of or failure to inspect by the Cooperative any Member installation shall in no way render liable the Cooperative for any injury or damage resulting from such installation of the Member.

5. Highly Fluctuating Loads

The Cooperative reserves the right to refuse to supply service to loads of a character which may seriously impair service to any Member and shall have the right to discontinue service to the Member who shall continue to use appliances or apparatus detrimental to the service to any other Member after being notified thereof in writing by the Cooperative.

6. Changes in Installation

The Cooperative's wires, transformers, meters, and other facilities used in supply of service to Member have a definite limited capacity. Member shall therefore give notice to the Cooperative and obtain Cooperative permission before making any material changes or increases in Member's installation. The Cooperative reserves the right to refuse permission and/or to advise the Member upon what conditions service can be supplied.

7. Cooperative's Responsibility

Nothing in the Electric Service Regulations shall be construed as placing upon the Cooperative any responsibility for the condition or maintenance of the Member's wiring, current consuming devices or other equipment, and the Cooperative shall not be held liable for any loss or damage resulting from defects in the Member's installation and shall not be held liable for damage to persons or property arising from the use of the service on the premises of the Member.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 6

STATE OF ARIZONA

COOPERATIVE INSTALLATION1. Cooperative's Installation

Except as otherwise provided in the Service Regulations, in the agreement for the purchase of power or Rate Schedules, the Cooperative will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment except meters and accessories beyond that point. Only agents of the Cooperative are authorized to connect Cooperative's supply wires to Member's service terminals.

2. Cooperative Property

All lines, apparatus, instruments, meters and materials furnished and installed by the Cooperative at its expense within the Member's premises shall be and remain the property of the Cooperative and may be removed by the Cooperative upon discontinuance of service. In the event of loss or damage to the Cooperative's property rising from neglect, carelessness or misuse by the Member, the cost of necessary repairs or replacement shall be paid by the Member.

3. Service From Existing Lines

Service will be supplied to the Member from the Cooperative's nearest line of sufficient capacity and appropriate phase and voltage to furnish adequate service under applicable rate schedule.

4. Relocation of Lines

The Cooperative will relocate its lines when such relocation is necessary, practical and justified. The Cooperative shall be sole judge of the circumstances concerning necessity, practicality and justification for relocation. If property owner requests relocation of lines on his property he shall bear the cost.

5. Right-of-Way

Member shall make or secure, without expense to the Cooperative, conveyance for the Cooperative of satisfactory Right-of-Way easements across the property owned or controlled by the Member for the Cooperative's lines or extensions thereof necessary or incidental to the furnishing of service to the Member and shall permit access thereto by the Cooperative's employees at all reasonable hours. The Member shall permit the Cooperative to cut and trim and control the growth by chemical means, machinery or otherwise of trees and shrubbery located within twenty (20) feet of the center line of said line or system. Other right-of-way easements shall be provided to the Cooperative without cost to the Cooperative.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 7

STATE OF ARIZONA

METERING1. Installation

The Member shall make provision for the connections of metering equipment at a convenient place, readily accessible without risk of bodily harm to Cooperative employees, free from vibration, corrosive atmosphere, and abnormal temperatures in which to install the Cooperative's metering equipment and shall furnish a meter base for Cooperative's meter. All meter locations and provisions for connecting metering equipment are subject to approval by the Cooperative. The Cooperative will furnish, install and maintain at its own expense the necessary meter or electric service used by the Member. The Member shall provide and maintain a satisfactory location for the installation without expense to the Cooperative. Where the character of the service requires a graphic meter, the chart of which must be changed weekly, the Member will provide attendance when requested by the Cooperative to care for and change the meter charts as required. The Member will not interfere with or alter or permit interference with or alteration of the Cooperative's meter or other property.

2. Failure to Register

If the Cooperative's meter shall fail at any time to register accurately, the Cooperative may estimate Member's power and energy during the time of such failure on the basis of the best available data. If any appliance or wiring connections are found on Member's premises which prevent the meter from accurately recording the total amount of power and energy used on the premises, the Cooperative may at once remove such wiring or appliance and may estimate the power and the amount of energy consumed and not registered as accurately as it is able to do so. The Member will immediately pay for such estimated power and energy consumption together with the expense of removing any such wiring or appliances and restoring the equipment of the Cooperative to its normal operating conditions. The Cooperative may also refuse further service or require the Member to make such changes in his wiring installation as the Cooperative deems proper.

3. Meter Testing and Rereading

Cooperative will test and inspect its meters from time to time and maintain their accuracy of registration in accordance with generally accepted practices and the rules and standards established by applicable regulatory authorities. If any such special test shows the average registration of a meter to be in error by more than 2% fast or slow, the Cooperative will bear the cost of test. If the amount of error is less than 2%, the Member will bear the cost of the test unless the meter has not been tested at the Member's request within twelve (12) months immediately preceding such request. When an average error of more than 2% is determined, the Cooperative will make a refund where the meter is fast and the Member will pay the difference where the meter is slow. The billing adjustment for residential and commercial service will be made only for one-half (1/2) the period intervening since the last test but not to exceed six (6) months. In case of pump wells having a faulty meter a water reading may be used to compute the percent of error for the season.

The cost to the Member if a meter test is less than 2% in error and the meter has been tested more than once during the 12-month period shall be \$60.00.

Members requesting meter rereads shall be charged a fee of \$30.00 per reread.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 8

STATE OF ARIZONA

BILLING1. Rate Schedules

The rates prescribed by all Rate Schedules are subject to revision upon approval of the Board of Directors of the Cooperative and following approval of the Arizona Corporation Commission.

2. Billing Period

Bills ordinarily will be rendered monthly, but may be rendered more frequently or at different intervals at the option of the Cooperative. Estimated bills will be rendered when regular meter readings are not secured.

3. Address of Members

Bills will be mailed to the address of the Member appearing in the Application for Electric Service or to such address as Member may request. When Member vacates the premises where service is received his contract shall continue in effect until he notifies the Cooperative to cancel or transfer said agreement.

After mailing, the Cooperative assumes no responsibility for lost bills.

4. Separate Billings

At each point of delivery the use of service shall be metered and/or billed separately for each Member served.

5. Payment of Bills

Bills for electric service supplied during the preceding billing period are due and payable when rendered. A Member will have twenty (20) days from the date the current bill was prepared to pay the new balance, which date shall be the statement due date. In the event the Member tenders a payment of less than the full amount of the bill rendered, the Cooperative will apply said

payment pro rata first to the charges in default and interest and the remainder, if any, to the current monthly charges unless otherwise agreed to by the Cooperative.

6. Return Check and Late Payment Charges

In the event the Member tenders a check in payment of his bill and said check is returned by the bank unpaid because of insufficient funds or any other reason, Member will be charged a handling and administration fee of \$25.00.

Commencing on each billing date, a late charge of one and one-half percent (1 1/2%) per month (annual percentage rate of 18%) will be assessed against any unpaid balance. With the exception of disconnection charges, reconnection charges and return check service charges, no other charge, whether described as a finance charge or service charge, will be applied to any residential account for failure to pay an outstanding bill by the statement due date.

7. Account Change Fee

If a Member requires a name change to his account (such as a landlord rollover or divorce), the Member shall pay a \$10.00 account change fee, and the Member being removed from the account will receive no charge.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 9

STATE OF ARIZONA

DEPOSITS1. Deposits

The Cooperative may require a deposit from any existing or prospective Member to guarantee payment of bills in the absence of a credit reference satisfactory to the Cooperative. Such deposit shall not exceed three (3) times the average monthly bill for the service desired.

2. Interest

Simple interest, computed from the date of deposit at the rate of 6% per annum, will be paid by the Cooperative upon all such deposits which have been held continuously by the Cooperative for a period of six (6) months or longer. Deposits with accrued interest, if any, will be repaid at the end of twelve (12) months, or sooner at the option of the Cooperative, unless the Member has failed to regularly and promptly pay all bills for service. When in the sole judgement of the Cooperative an extraordinary credit risk exists, the Cooperative may hold the deposit of the Member for a period longer than twelve (12) months even though the Member has regularly and promptly paid all bills for service. Upon settlement of a Member's account, any unused balance of the deposit with accrued interest, if any, will be returned to the Member. In computing interest, consideration shall be given only to major parts of months or dollars. Interest on Member deposits shall cease upon discontinuance, for any reason, of service to the Member.

3. Non-Payment of Bills

An applicant for electric service who is a former Member of the Cooperative and whose service was discontinued for non-payment of bills will be required to make payment of all amounts remaining unpaid from his previous service in addition to a suitable deposit not to exceed three (3) times the estimated average monthly bill.

4. Payment of Amounts Due and Owing

The Cooperative may apply all or any part of the Member's deposit to the payment of amounts due and owing the Cooperative for service rendered; and if Member shall fail to restore any such deposit to its full amount within thirty (30) days after written request for restoration is mailed by Cooperative to Member, Cooperative may discontinue service until deposit is restored to its full amount.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 10

STATE OF ARIZONA

LINE EXTENSION POLICY

1. General Provisions

The Cooperative will provide electric service within the boundaries of its service area when rights-of-way are furnished, and the applicant complies with the conditions of one of the following classifications as determined by the Cooperative. The Cooperative will own, operate and maintain all extensions made under this rule.

- a. "Permanent Service", as herein defined, includes service to residential, irrigation, and commercial when the use of service, both as to amount and permanence, can be assured.
- b. "Indeterminate Service", as herein defined, includes but is not limited to service to mines, quarries, oil wells, industrial, manufacturing, and large commercial enterprises of speculative nature, real estate subdivisions, mobile homes and recreational vehicles, property being developed for sale, enterprises where there is little or no immediate demand for service by any other consumer, seasonals, and other service (except that defined hereinafter as "Temporary") where the amount and permanence of use cannot reasonably be assured.
- c. "Temporary Service" as herein defined, includes but is not limited to service to circuses, bazaars, fairs, concessions and similar enterprises, construction work, etc., of a temporary nature, and ventures of such uncertain speculative nature that their permanence is questionable; such as mining or oil and gas production operations, etc., which, during the preliminary or development period of same, may, at Cooperative's option, be classified in this category of service.

Construction Advances will be calculated to reflect the estimated construction costs as determined by the Cooperative. An estimate fee will be charged before an estimate is calculated. This fee will be credited towards the construction advance.

2. Extension for Permanent Service

The applicant will be required to make a Construction Advance for the entire construction investment.

3. Extension for Indeterminate Service

- a. The applicant will be required to make a Construction Advance for the entire construction investment.
- b. Platted developments being subdivided for future potential residential homesites will require a Construction Advance to be made to cover the costs of the basic backbone primary system being installed. A standard 200 amp service will be allowed for indeterminate services, both overhead and underground.

4. Extension for Temporary Service

- a. For service classified as "Temporary", the Cooperative shall require applicant to pay the Cooperative in advance of construction an amount equivalent to the Cooperative's estimate of the total cost of construction and removal of the extension. This estimate will include salvage value if any.
- b. Service provided to a temporary extension shall be billed in accordance with the rate schedules applicable.
- c. The Cooperative may refuse to connect additional consumers to temporary extensions.
- d. Service over a temporary extension will not be continued for a period longer than eighteen (18) months; and if consumer desires service thereafter, said continued service shall be furnished under the terms of either the "Permanent" or "Indeterminate" plan, if the Cooperative's estimate of the future use of service justifies the continued operation and maintenance of the line.

5. Extension for Underground Power Lines

Primary and/or secondary underground power lines will be supplied upon request when feasible. The consumer will pay a Construction Advance of 100% of the actual costs of construction for the primary and/or secondary power lines and related power equipment.

Meter loops and secondary extensions from the point of service to the Cooperative's transformers or secondary pedestals shall be the responsibility of the consumer, but must meet the inspection standards of the Cooperative.

The Cooperative will install, own and maintain all underground facilities to the point of delivery. The Member may, at the Cooperative's discretion, be required to provide the excavation, bedding material as required, back fill of trenches, and ground restoration.

6. Large Industrial Loads

Large industrial loads involving special construction or circumstances will be individually analyzed and the provisions of the extension policy applied as agreed upon.

7. Idle Services

For services determined to be idle, the Cooperative may exercise its option to remove said service and use the materials elsewhere. Should the consumer require service at that location at some future date, he will be given service according to the provisions of this policy under the applicable classification as determined by the Cooperative.

8. Street Light Installation and Maintenance

- a. Developers desiring street lights shall pay the estimated costs of construction in advance to have street lights installed by the Cooperative before construction begins. Street light design and specifications shall be approved by the Municipality in which street light service will occur.
- b. Property Owners desiring street lights in existing subdivisions shall pay the estimated cost of construction to have street lights installed by the

Cooperative in three (3) annual installments with the first installment being due before construction begins. Street light design and specifications shall be approved by the Municipality in which street light service will occur. Property Owners shall sign a Street Light Installation Agreement before the installation of street lights will occur. If any of the annual installment payments are not received in a timely manner, the Cooperative may remove the street light until payment is received.

- c. Maintenance of street lights will be completed at no cost to the Developer/Property Owners by the Cooperative on all standard street lights. Standard street lights consist of existing Cobra Head style and Ornamental Decorative style street lights supplied and warehoused by the Cooperative.
- d. Maintenance of non-standard street lights will be completed by the Cooperative and the Developer/Property Owners agree to reimburse the Cooperative for any labor performed in excess of one (1) hour per street light per year at the Cooperative's standard hourly billing rate. Developer/Property Owners shall supply, stock and warehouse any replacement parts for maintenance of non-standard street lights.

9. Impact Fees

All applicants for new service or reconnection of idle service are subject to payment of an impact and connect fee as determined on the attached 'SCHEDULE A'.

ELECTRIC SERVICE REGULATION NO. 10
SCHEDULE 'A'
IMPACT FEES

Service Size	Impact Fee
<u>Residential and Single Phase Small Commercial</u>	
Overhead System Connection	
0 to 60 AMPS	\$ 825.00
61 TO 200 AMPS	\$4425.00
Each additional 200 AMPS, or portion thereof	\$2925.00
Underground System Connection	
0 to 60 AMPS	\$1050.00
61 TO 200 AMPS	\$5925.00
Each additional 200 AMPS, or portion thereof	\$4425.00
<u>All Commercial, Irrigation, etc.</u>	
Installed Capacity	\$123.00/kVA
	Connect Fee
All Services	\$30.00

Impact and connect fees are subject to change as necessary. Such necessity to be determined by the Board of Directors of Dixie Escalante Rural Electric Association, Inc.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 11

STATE OF ARIZONA

TAXES

I. General

In the event any taxing body shall impose or increase any franchise, occupation, sales, license, excise or other tax or charge of any kind or nature, including taxes or charges based upon electricity sold or the receipts or income therefrom, the Cooperative at its discretion, may add the pro-rata amount thereof and separately itemized and bill all Members in the area or locality in which such tax or charge applies.

2. Taxes and Fees

Taxes and fees of the prevailing rates shall be separately itemized on each Member's power bill.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 12

STATE OF ARIZONA

SERVICE TERMINATION

1. Authority

The procedures, terms, and conditions described herein are authorized by the Arizona Corporation Commission pursuant to Decision No. 77364 and A.A.C R14-2-214.

2. Payment Options and Disconnection for Non-Payment

- a. In addition to submitting payment by mail, Arizona Members may pay bills in-person at the payment kiosk located at 3352 East Old Pioneer Road, Beaver Dam, AZ 86432, as well as online and by phone, twenty-four (24) hours a day.
- b. Disconnections may be performed in-person or remotely, between the hours of 9:00AM and 4:00PM, but may not be performed Friday through Sunday or on the day of or day before a State or Federal holiday.
- c. The Cooperative will issue written notices regarding non-payment by mail (or by the Member's preferred method of communication, if on file with the Cooperative) five (5) days after the bill due date and, if necessary, twelve (12) to fourteen (14) after the due date. The notices will identify the delinquent balance, payment options, and services available to assist Members in financial need.
- d. The Cooperative will also contact the Member by phone, by placing an automated call on the same date as the second written notice. If the automated call does not reach the Member, a Cooperative employee will attempt a personal call.
- e. If the Cooperative is unable to reach a residential Member by phone, the Cooperative will attempt in-person notification by visiting the residence at least

forty-eight (48) hours prior to the anticipated day of disconnection and knocking on the door as well as placing a door-hanger notice.

- f. On the evening before or the day of the anticipated disconnection, the Cooperative will attempt to reach the Member again by telephone. The Cooperative will also review the Member's information to identify circumstances that may warrant further extension or alternative payment arrangements, such as evidence that the Member is on life support equipment, has some other documented medical condition, or if the Member has a good payment history.
- g. If the Member cannot pay the full delinquent balance amount, the Member and the Cooperative may enter into a deferred payment agreement for up to twelve (12) months. However, if the Member breaches the agreement, the Cooperative may discontinue service without additional notice.
- h. The Cooperative will not disconnect service if the delinquent balance is less than \$60.00.

3. Discontinuance of Service for Other Reasons

The Cooperative reserves the right to discontinue service for any of the following reasons:

- a. If Member violates the conditions under which Cooperative supplies service under his agreement for purchase of power and these Service Regulations.
- b. For the use of electricity for any property or purpose other than that described in the application made thereof.
- c. Under any flat rate service, for addition to such property or fixtures or increase in the use to be made of electricity.
- d. For failure to maintain in good order service entrance facilities or equipment owned by the Member.
- e. For tampering with any service wires, meter, seal or any other facilities of the Cooperative.

- f. In case the Member vacates premises either permanently, with or without notice to the Cooperative, or temporarily, with notice to the Cooperative, to stop service for the vacation period.
- g. For use of equipment which adversely affects the Cooperative's service to its other Members.
- h. For refusal of reasonable access to property to the agent or employee of the Cooperative for the purpose of inspecting the facilities or for testing, reading, maintaining or removing meters.
- i. For fraudulent use of service.

The right to discontinue service for any of the above reasons may be exercised whenever and as often as such reasons may occur, and neither delay nor omission on the part of the Cooperative to enforce this Regulation shall be deemed a waiver of its right to enforce the same at any time so long as the reason continues.

Ten (10) days written notice will be given the Member before service is discontinued under this provision, except in the case of danger to life or property, in which case the Cooperative may discontinue service without notice.

4. Disconnection, Discontinuance, and Reconnection Fees

If a Member is subject to disconnection for non-payment and a service order for in-person disconnection has been processed and a meter technician has been dispatched, the Member shall pay a processing/trip fee of \$20.00.

If service to a Member is disconnected or discontinued for any reason, the Member shall pay a \$30.00 fee for reconnection. If the Member requires reconnection after the regular working hours of the Cooperative, the charge will be \$75.00 for in-person connection and \$50.00 for remote reconnection.

If service to a Member is disconnected for meter tampering, Member shall pay the applicable reconnection fee as well as a \$200.00 meter tampering fee plus estimated usage and the cost to repair or replace the damaged meter before service is restored.

5. Restoration of Service

The Cooperative will restore service when the cause of discontinuance has been removed and payment of all proper charges due from the Member, including the disconnection and reconnection charges and deposit set forth in these Service Regulations, has been paid.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 13

STATE OF ARIZONA

PREPAID SERVICE

1. Availability

Prepaid electric service is available to any residential Member, provided the following criteria are met:

- a. New Members are eligible regardless of history or credit rating.
- b. For existing Members, any previous balance unpaid at the time the Member chooses to join the Prepaid program may be converted to a Prepaid Arrangement, pursuant to which 50% of any payment made on the account will go toward paying the Prepaid Arrangement and 50% will be applied to the Prepaid balance. Once the Prepaid Arrangement is paid in full, 100% of payments will go toward future electric usage.
- c. For Members with an account that was disconnected for non-payment, the Member may apply for Prepaid service. If the Member cannot pay the amount due for reconnection, the balance may be converted to a Prepaid Arrangement as described above.

2. Enrollment

- a. Member must execute a Prepaid Program Agreement.
- b. No deposit is required, but Member must have a \$50.00 Prepaid credit balance on the account.
- c. Member must have a valid email address.
- d. Member must certify that no person residing at the premises is on life support equipment or has some other documented medical condition that would make disconnection of service especially dangerous.

3. Other Terms and Conditions

- a. Any security deposit on file with the Cooperative will be applied to the account balance or future Prepaid balance.
- b. Energy Assistance or other types of assistance will be applied to the Prepaid account when the Cooperative receives the payment.
- c. It is the Member's responsibility to regularly monitor the balance on his Prepaid account. Electric service will be subject to disconnection without any notice from the Cooperative at any time the Prepaid balance reaches zero. Disconnection will not be postponed due to medical or weather conditions.
- d. If service is disconnected, a minimum Prepaid credit balance of \$25.00 is required before service will be restored. Reconnection may take up to two (2) hours after payment is posted to the account.
- e. Prepaid accounts are not eligible for auto draft, budget billing or other payment arrangements.
- f. Members with Prepaid accounts will not receive paper bills.
- g. Payments to the Prepaid account can be made in the Cooperative's office during business hours, at the Cooperative's 24-hour kiosk, by mail, by phone, online, or using the Cooperative's app. If payments are made by mail, the Cooperative is not responsible for any delay in the receipt of payment.
- h. Member agrees to receive alerts regarding his Prepaid account via email, text message, or both.
- i. If a returned check or electronic chargeback is received on the Prepaid account, the amount of the chargeback and a return fee of \$25.00 will be charged to the Member's account immediately. If this charge causes the Prepaid balance to fall to zero, service may be disconnected within twenty-four (24) hours.
- j. If the Member requests to convert to a standard metered account, the Cooperative may require a deposit

based on two (2) months average bill at the location. The Cooperative may also charge a security deposit based on existing credit reporting.

- k. The Cooperative reserves the right to remove any Member from the Prepaid program at any time, without consent or notification.
- l. The Cooperative shall be held harmless from any damage from loss of energy services, or during the reconnection of service, as a result of Member's participation in the Prepaid program.
- m. The following rules of the Arizona Corporation Commission shall not apply to Members on the Prepaid program: R14-2-203(B), R14-2-209(A), R14-2-210, and R14-2-211.

Dixie Escalante Rural Electric Association, Inc.
Wholesale Power Cost Adjustment Mechanism & Wholesale Peak Season Cost Adjustment Mechanism
Plan of Administration

This Plan of Administration ("POA") relates to the administration of Dixie Escalante Rural Electric Association, Inc.'s ("Dixie") Wholesale Power Cost Adjustment Mechanism ("WPCAM") and Wholesale Peak Season Cost Adjustment Mechanism ("Wholesale PSCAM"). This POA is filed pursuant to Arizona Corporation Commission ("Commission") Decision No. [insert], dated [insert], 2024. The purpose of this POA is to describe how Dixie administers its adjustment mechanisms and to provide Dixie flexibility to adapt to changing conditions that may impact the administration of the mechanisms in the future.

Overview:

Dixie is an electric distribution cooperative that is member-owned and managed as a not-for profit entity. Its member-owners elect a nine-member Board of Directors to set policy and oversee the management of the cooperative. Margins earned by Dixie flow to capital credit accounts of its members that are retired over a number of years, as permitted by Dixie's financial condition. Currently, Dixie secures its power from Deseret Power Cooperative ("Deseret") as an All-Requirements Member. These purchased power costs are a significant component of Dixie's cost of providing electric service to its members. The purpose of the WPCAM is to allow Dixie to recover or refund fluctuating power supply costs between rate cases. Further, in response to increases in seasonal peak demand and volatile market conditions, Deseret is constructing new peaking generation to meet growing customer load and passing along the additional costs to its distribution cooperative members in the form of a Tier 2 Demand Adder and a Rate Schedule A ("RSA") Energy Adder. The purpose of the Wholesale PSCAM is to timely recover the additional charges assessed by Deseret under these adders.

Applicability and Calculation of Wholesale PSCAM

The Wholesale PSCAM is applied in addition to the WPCAM as a surcharge to the following service schedules only during the summer billing months of June through September: Residential; Residential Optional TOD; Small Commercial (0 – 100 Amps); Small Commercial (50 kW max); Large Commercial; Large Commercial TOU; Off-Peak; and Irrigation Pumping.

Each January, Deseret provides Dixie with an estimated charge for the upcoming summer based on Dixie's historic summer purchases, Deseret's per kw-Mo. Tier 2 Demand Adder, and Deseret's per MWh RSA Energy Adder. Based on the combined additional charges identified by Deseret, Dixie calculates a blended per MWh rate it will incur and then converts that rate into a per kWh rate to be collected through the Wholesale PSCAM for the upcoming June through September.

During the summer months, Dixie tracks the amounts assessed by Deseret under the Tier 2 Demand Adder and the RSA Energy Adder to ensure that those expenses are excluded from the calculation of the WPCAM, as described below.

Applicability and Calculation of the WPCAM:

The WPCAM is applicable to the same service schedules as the Wholesale PSCAM, but is applied year-round.

Expenses eligible for inclusion in Dixie's WPCAM are limited to those booked in Rural Utilities Service ("RUS") Account 555 (purchased power, Facilities charge and demand and energy). Expenses booked to RUS Account 557 are not recovered through the WPCAM or the Wholesale PSCAM. Further, purchases

from Deseret under the Deseret Tier 2 Demand Adder and RSA Energy Adder booked to RUS Account 555 are tracked and excluded from the calculation of the WPCAM adjustment. The foregoing RUS account limitations are subject to change if RUS alters its accounting requirements or definitions, as well as pursuant to future Commission orders.

Calculation of the WPCAM begins with Dixie's base cost of power, which are the purchased power costs embedded in base rates as set by order of the Commission. The current base cost is \$0.041073 per kWh as established in Decision No. [insert] and is effective for all electricity sold on and after [insert], 2024. The base cost of power was calculated using actual purchased power costs and kWh sales for the 2021 test year.

Each year, Dixie recalculates the WPCAM by taking the total of the per kWh base cost for wholesale power, plus any adjustors that have been utilized, subtracted from the actual total eligible cost per kWh for the previous calendar year. If the difference between the base cost plus the adjustor rate (if any) and the actual total eligible cost per kWh for the period is less than \$0.0005 per kWh, Dixie will not reset the adjustor rate. If the difference per kWh is more than \$0.0005 per kWh, the WPCAM adjustment will be rounded up or down to the nearest increment of \$0.0005 per kWh.

Annual Report

The Wholesale PSCAM and WPCAM rates are filed with Docket Control within 30 days of Dixie resetting its adjustors each February. The annual filing includes both clean copies and redlined copies of the revised rate tariffs as well as the calculation used to reach the new adjustor rates. For the Wholesale PSCAM, the filing includes the estimated charges from Deseret for the upcoming summer, the blended per MWh rate, and the calculation of the per kWh surcharge based thereon. For the WPCAM, the filing shows the current base cost of power, the actual eligible cost of power (and how it was calculated), the calculated adjustor rate, and the revised rounded adjustor rate. Simultaneous with the annual filing, Dixie also submits to Staff electronic copies of workpapers supporting the calculation of the new adjustor rates.