

OPEN MEETING



0000150874

MEMORANDUM

RECEIVED

TO: THE COMMISSION

ORIGINAL 2014 JAN 17 P 2:00

FROM: Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

DATE: January 17, 2014

RE: DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC. DBA DIXIE POWER -- APPLICATION FOR APPROVAL OF ITS PURCHASED POWER ADJUSTOR MECHANISM PLAN OF ADMINISTRATION (DOCKET NO. E-02044A-12-0419)

In compliance with Decision No. 74082, Dixie Escalante Rural Electric Association, Inc. DBA Dixie Power ("Dixie" or "the Company") filed its Purchased Power Adjustor Mechanism ("PPAM") Plan of Administration ("POA") on December 20, 2013. Dixie was ordered to file its proposed PPAM POA within 90 days of the rate case Decision, which was docketed on September 23, 2013. Decision No. 74802 ordered that the POA: (i) include a detailed description of how its adjustor mechanism would function; and (ii) set forth how the base cost of power would be taken into account during the adjustor reset or while determining if a reset is necessary.

Decision No. 74082 also ordered Staff to file a Memorandum and Proposed Order within 60 days of the date the Company filed its proposed POA. Staff's Memorandum and Proposed Order were to include Staff's recommendation on whether Dixie's proposed PPAM POA should be approved as filed. If Staff determines that the POA should not be approved as filed, Staff must include its proposed changes in the Memorandum and Proposed Order.

Staff reviewed Dixie's proposed PPAM POA, both with respect to the overall functioning of the adjustor mechanism and with respect to the description on how the base cost will be taken into account during the adjustor reset. Staff's review indicated that there is sufficient detail and explanation to meet the requirements of Decision No. 74082. Although there are some minor typographical errors, these do not affect the meaning and are not significant enough to require re-filing.

Staff recommends that Dixie's proposed PPAM POA be approved as filed.

Steven M. Olea
Director
Utilities Division

SMO:jmk:sms/BMS

ORIGINATOR: Julie McNeely-Kirwan

Arizona Corporation Commission
DOCKETED

JAN 17 2014

DOCKETED BY

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

IN THE MATTER OF THE APPLICATION)
OF DIXIE ESCALANTE RURAL)
ELECTRIC ASSOCIATION, INC. DBA)
DIXIE POWER, FOR APPROVAL OF ITS)
PURCHASED POWER ADJUSTOR)
MECHANISM PLAN OF)
ADMINISTRATION.)

DOCKET NO. E-02044A-12-0419
DECISION NO. _____
ORDER

Open Meeting
February 6 and 7, 2014
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Dixie Escalante Rural Electric Association, DBA Dixie Power (“Dixie” or “the Company”) is engaged in providing electric power within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission (“Commission”). Dixie has approximately 2,200 primarily residential customers in Mohave County, Arizona and approximately 13,000 customers in Utah.

2. In compliance with Decision No. 74082, Dixie filed its Purchased Power Adjustor Mechanism (“PPAM”) Plan of Administration (“POA”) on December 20, 2013. Dixie was ordered to file its proposed PPAM POA within 90 days of the rate case Decision, which was docketed on September 23, 2013. Decision No. 74802 ordered that the POA: (i) include a detailed description of how its adjustor mechanism would function; and (ii) set forth how the base cost of

...

1 power would be taken into account during the adjustor reset or while determining if a reset is
2 necessary.

3 3. Decision No. 74082 also ordered Staff to file a Memorandum and Proposed Order
4 within 60 days of the date the Company filed its proposed POA. Staff's Memorandum and
5 Proposed Order were to include Staff's recommendation on whether Dixie's proposed PPAM POA
6 should be approved as filed. If Staff determines that the POA should not be approved as filed,
7 Staff must include its proposed changes in the Memorandum and Proposed Order.

8 4. Staff reviewed Dixie's proposed PPAM POA, both with respect to the overall
9 functioning of the adjustor mechanism and with respect to the description on how the base cost
10 will be taken into account during the adjustor reset. Staff's review indicated that there is sufficient
11 detail and explanation to meet the requirements of Decision No. 74082. Although there are some
12 minor typographical errors, these do not affect the meaning and are not significant enough to
13 require re-filing.

14 5. Staff has recommended that Dixie's proposed PPAM POA be approved as filed.

15 CONCLUSIONS OF LAW

16 1. Dixie is an Arizona public service corporation within the meaning of Article XV,
17 Section 2, of the Arizona Constitution.

18 2. The Commission has jurisdiction over Dixie and over the subject matter of the
19 application.

20 3. The Commission, having reviewed the application and Staff's Memorandum dated
21 January 17, 2014, concludes that it is in the public interest to approve the Purchased Power
22 Adjustor Mechanism Plan of Administration as filed.

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ORDER

IT IS THEREFORE ORDERED that the Purchased Power Adjustor Mechanism Plan of Administration filed on December 20, 2013, by Dixie Escalante Rural Electric Association, Inc., DBA Dixie Power, be, and hereby is approved.

IT IS FURTHER ORDERED that this Order be made effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2014.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:JMK:sms\BMS

1 SERVICE LIST FOR: DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC. DBA
2 DIXIE POWER
3 DOCKET NO. E-02044A-12-0419

4 Mr. LaDel Laub
5 President and CEO
6 Dixie Escalante Rural Electric Association, Inc.
7 71 East Highway 56
8 Beryl, Utah 84714

9 Mr. Steven M. Olea
10 Director, Utilities Division
11 Arizona Corporation Commission
12 1200 West Washington Street
13 Phoenix, Arizona 85007

14 Ms. Janice M. Alward
15 Chief Counsel, Legal Division
16 Arizona Corporation Commission
17 1200 West Washington Street
18 Phoenix, Arizona 85007

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33