

**Notice of a Change in the Rates and Tariffs
Of San Miguel Power Association, Inc.
Effective June 1, 2012**

You are hereby notified that San Miguel Power Association proposes certain revisions in rates and tariffs affecting all electric consumers to become effective June 1, 2012. The purpose of the revision is to reflect increases in the cost of purchased power from our power supplier Tri-State Generation and Transmission Association which was effective January 1, 2012 plus to recover increased costs for internal operating expenses. The revision will increase the presently effective total electric charges by approximately 3.00 percent based upon a twelve-month test period ending December 31, 2011. The effect on San Miguel's total annual revenue is an increase of approximately \$783,000.

The proposed changes are listed below.

Comparison of Present and Proposed Rate Schedules

<u>Present Rates</u>			<u>Proposed Rates</u>		
<u>Schedule #1 - Single Phase - No Demand</u>			<u>Schedule #1 - Single Phase - No Demand</u>		
Access Charge	@	\$8.75 /month	Access Charge	@	\$14.69 /month
Energy Charge	@	\$0.130228 /kWh	Energy Charge	@	\$0.130228 /kWh
Power Cost Adjustment	@	\$0.000000 /kWh	Power Cost Adjustment	@	\$0.000000 /kWh
<u>Schedule #2 - Single Phase - Demand</u>			<u>Schedule #2 - Single Phase - Demand</u>		
Access Charge	@	\$15.00 /month	Access Charge	@	\$18.00 /month
Demand Charge	@	\$18.00 /kW	Demand Charge	@	\$14.00 /kWh
Energy Charge	@	\$0.062644 /kWh	Energy Charge	@	\$0.077460 /kWh
Power Cost Adjustment	@	\$0.000000 /kWh	Power Cost Adjustment	@	\$0.000000 /kWh
<u>Schedule #3 - Three Phase - Demand</u>			<u>Schedule #3 - Three Phase - Demand</u>		
Access Charge	@	\$33.00 /month	Access Charge	@	\$33.00 /month
Demand Charge	@	\$19.70 /kW	Demand Charge	@	\$14.00 /kWh
Energy Charge	@	\$0.058676 /kWh	Energy Charge	@	\$0.075247 /kWh
Power Cost Adjustment	@	\$0.000000 /kWh	Power Cost Adjustment	@	\$0.000000 /kWh
<u>Schedule #4 - Three Phase - No Demand</u>			<u>Schedule #4 - Three Phase - No Demand</u>		
Access Charge	@	\$16.00 /month	Access Charge	@	\$18.00 /month
Energy Charge	@	\$0.130228 /kWh	Energy Charge	@	\$0.130228 /kWh
Power Cost Adjustment	@	\$0.000000 /kWh	Power Cost Adjustment	@	\$0.000000 /kWh

The proposed and present tariff provisions are available for examination and explanation at any SMPA office or at www.smpa.com. Anyone who desires to comment about the proposed changes may file written comments and /or complaints with SMPA at P.O. Box 1150, Ridgway, Colorado 81432.

SMPA will hold public information hearings with the SMPA Board of Directors at 9:30 a.m. on Tuesday, April 24, 2012 at the SMPA office in Nucla located at 170 W. 10th Avenue, Nucla, Colorado and at 9:30 a.m. on Thursday, May 31, 2012 at the SMPA office in Ridgway located at 720 N. Railroad Street, Ridgway, Colorado.

The SMPA Board is expected to make a final decision on the new rates at its May 31, 2012 meeting.