

## Kit Carson proposes modest rate change

By J.R. Logan

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Kit Carson Electric Cooperative is now proposing a rate design intended to incentivize low-energy use for residential customers. But compared to the rates proposed last fall, the new design won't result in lower monthly bills for more frugal members.

The New Mexico Public Regulation Commission is preparing to conduct a formal review of the co-op's proposed rate hike, which has been under fire from hundreds of co-op members.

When the new rates were first released last fall, many members cried foul; by increasing the fixed charges and lower energy costs, some argued that the co-op was incentivizing "energy hogs."

In the last month, the PRC gave the co-op an opportunity to amend its rate structure before the formal review begins.

The new structure, filed with the PRC Friday (Feb. 11), is an attempt to address concerns about energy conservation. It breaks residential members into three usage categories, each with its own cost of energy per kilowatt hour.

Under the most recent proposal, those who use 0 to 750 kilowatt hours a month would pay \$0.09079 per kilowatt hour; those who use 751 to 1,250 kilowatt hours would pay \$0.9579 per kilowatt hour; and those who use more than 1,251 kilowatt hours would pay 0.10079 per kilowatt hour.

Though the new design, known as an "inclining block rate," would mean those who use the most electricity will pay more for electricity, it doesn't offer a break to low-energy users when compared to the original rate structure.

As with the original rate hike proposal, the base customer charge would still go from \$10 to \$20.50 a month for all residential members. Under the original rate design, all residential customers would have been charged \$0.0979 per kilowatt hour — the same amount proposed for those who use the least amount of energy under the inclining block structure.

Currently, residential customers pay \$0.10519 per kilowatt hour.

The PRC will consider the new rates when it begins its formal review in the coming months.

In its amended rate structure that it filed Friday, the coop reiterated many points it has been making since last fall.

It maintains that the co-op needs to generate more revenue from fixed charges (the monthly customer fee) and less revenue from energy use, which tends to fluctuate considerably from season to season. By doing so, the co-op says it will be better able to maintain system infrastructure and ensure that service remains reliable.

But at least some of co-op members are unimpressed by the new rate design.

“It’s ridiculous,” said John Plummer during a phone interview Wednesday (Feb. 16). “That’s not a substantial change from what they proposed in the first place.”

Plummer pointed out that under the co-op’s new proposal, the difference for very low energy users will still be proportionately greater than for those who use a lot of energy.

For example, someone using 100 kilowatt hours a month would pay \$29.58 under both of the co-op’s rate hike proposals. That same customer currently pays \$20.52. It’s a difference of \$9.06, or a 44 percent increase.

At the other end of the spectrum, a residential customer using 1,400 kilowatt hours a month would pay \$147.61 under the rates filed in November, and \$161.61 under the rates filed Friday. Those using 1,400 kilowatt hours now pay \$157.27. For them, their bill would go up \$4.34 or less than 3 percent.

Co-op CEO Lu's Reyes explained that the co-op wants to encourage energy conservation by using an inclining block structure, but it is mindful of those on fixed or low incomes who use more energy than the average member.

“It’s a balancing act and we want to be careful,” Reyes told

*The Taos News* Wednesday. “The people on fixed incomes are sometimes using a lot of energy because they require medical equipment or they live in poorly insulated homes.”

According to the co-op’s numbers, more than half of those members who are eligible to receive subsidies to help pay their electric bills use more than 487 kilowatt hours.

Plummer and others co-op critics don’t buy it.

As an alternative, Plummer has created his own rate model, which he has presented to the co-op. It is posted on his website: [www.taosplans.org](http://www.taosplans.org).

Under his model, there would be no customer charge, but the minimum monthly amount due would be \$10 per customer. Energy prices would follow an inclining block rate structure and range from around \$0.07 per kilowatt hour to \$0.16 per kilowatt hour.