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State board to weigh validity of Kit Carson rate hike protests

By J.R. Logan

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Notice of a public hearing has been sent to the 317 people who filed protests against a rate hike proposed by Kit Carson Electric Cooperative.

Both the protesters and the co-op will have their chance to make their case to the New Mexico Public Regulation Commission at a public hearing Jan. 10 that starts 9:30 a.m.

According to the commission, the purpose of the hearing is to flesh out which of the protests are valid in order to decide whether to proceed with a formal investigation of the rate increase.

After the issue came before the commission at a Dec. 14 regular meeting, the commission voted to suspend rates and schedule a public hearing. Notice of the suspension and public hearing was sent to the protesters, and to the co-op and its attorneys.

In that notice, the commission spells out specific issues raised in the protests.

The issues include:

- Whether it is reasonable for Kit Carson to increase the fixed service charges, in some classes by more than 50 percent, while reducing the customer's energy charge;
- Whether the proposed rate increases will impose a hardship on customers living on fixed incomes;
- Whether the proposed rate increases will cause undue hardship for local businesses, such that some may need to close;
- Whether the proposed new rate design unfairly penalizes low-end users and discourages conservation;
- Whether Kit Carson should not be required to reduce its internal costs and operational expenses before attempting to recover these costs and expenses through a rate increase.

These issues, in substance, could raise the question of whether Kit Carson's rates are just and reasonable in their entirety.

The co-op has until next Tuesday (Dec. 28) to file its objections to the protests with the commission.

A spokesman for the commission said that the co-op would not be given copies of the protests. However, by law, protesters are asked to turn in copies of their protests to the co-op before they are filed with the commission.

After the co-op files its objections with the commission, protesters can respond either in writing, or at the Jan. 10 hearing.

In a statement of purpose filed with the commission just before the Dec. 14 meeting, the co-op argued that many of the hundreds of protests are not directly related to the electric rate increase.