



PRC urges settlement in Tri-State rate case

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The New Mexico Public Regulation Commission (PRC) is waiting until September to decide whether to allow Kit Carson Electric Cooperative's wholesale power supplier to withdraw a proposed rate hike request.

The purpose is to allow parties in the case to negotiate a settlement to avoid costly and time-consuming hearings.

Denver-based Tri-State Generation and Transmission gave notice at the end of June that it would no longer seek a 4.5 percent rate increase and altered rate design proposed last year. Instead, Tri-State told regulators that it intended to work on new rates to go into effect in 2014.

Last fall, three New Mexico co-ops, including Kit Carson Electric, protested the rates. Because of the protests, the PRC suspended the increase and for the first time ordered an investigation into the validity of Tri-State's proposed increase.

The PRC voted July 3 to give all parties 60 days to comment before deciding whether to dismiss the case entirely. Commissioners said they hoped the comment period would give all parties in the case the chance to negotiate new rates rather than re-starting the process next year.

In a July 11 filing, attorneys for all three protesting co-ops argued that if a settlement is not reached and the commission does not allow Tri-State to withdraw its request, that it should reschedule the hearings and allow the rate case to proceed.

In the filing, the attorneys argued that the co-ops have been diligently preparing for the case, and to allow it to be dismissed would "tremendous and wasteful expenditure of time and resources."

The filing notes that Tri-State believes there are no remaining issues before the commission and suspending the rate case is unnecessary.

Under state law, the PRC can only hold hearings and investigate rates if three co-ops protest a proposed rate increase from Tri-State. Kit Carson CEO Lu's Reyes has expressed concerns that if Tri-State is allowed to drop its current rates only to propose a new increase for next year, it may be difficult to rally protests from three co-ops again.