

Co-op seeks to dismiss most rate hike protests

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State regulators have delayed a vote on whether to allow a rate hike from Kit Carson Electric Cooperative to go forward, or order an investigation into whether the higher rates are justified.

In November, the co-op announced it was seeking a rate increase that would bring in an estimated \$3.5 million in new revenue. The increase would raise the average household bill by about 19 percent.

State law stipulates that, if at least 25 co-op members file formal protests to a proposed increase, regulators may order an investigation to determine if the increase is fair.

According to the state Public Regulation Commission, 89 protests were turned in on official forms, 15 protests were sent via email or by letter, and a petition opposing the increase with 281 signatures was also submitted.

But a filing from Kit Carson received by regulators Dec. 23 argues that any protest not submitted on the official form is invalid, and at least 74 of those that did come on the official form should also be dismissed on a variety of technicalities.

The co-op tried a similar tactic in 2010 when it said all but six of 317 protests to a different rate increase were not valid. Members of the Public Regulation Commission disagreed, and they ordered an investigation into the rates.

If regulators do order an investigation into the new rates, it would likely be a while before any increase goes into effect. Such investigations typically take months to complete. Current rates would not change during that review.

The co-op says it needs the increase to shore up its bottom line because of decreasing energy sales and rising costs that are beyond its control. It says the increase is based solely on the cost of providing power to customers.

But many of the protests argued that the increase would be a financial hardship. Some complained that the new rate design would not encourage energy conservation, while others argued it was being driven by investments in side businesses like the broadband and propane ventures.

The Public Regulation Commission may revisit the issue at a public meeting in Santa Fe next week, but no meeting agenda had been published as of press time.