

Hearing on co-op rate hike in August

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The Taos News, 3/31/2016

The fate of Kit Carson Electric Cooperative's proposed rate increase will likely not be decided until later this summer.

Late last year, the co-op filed notice that it planned to raise rates to make up for declining electricity sales and increasing costs. The increase would generate an estimated \$3.5 million in new revenue and cost the average household about \$14 more a month.

The rate increase was protested, and state regulators have ordered an investigation to determine if the new rates are reasonable and justified.

Elizabeth Hurst, the hearing examiner assigned to the case, has set a public hearing for Aug. 15 at the Public Regulation Commission in Santa Fe. Oral arguments in the case will likely take several days.

Any increase would likely not go into effect until after those hearings and state regulators rule on the matter.

Staff for regulators and Kit Carson members formally intervening in the case have until June 10 to file any written testimony. The co-op has until July 29 to respond.

According to Hurst, the scope of the hearing will be limited to:

- Whether the proposed split between fixed costs (flat monthly fees) and costs per kilowatt hour of electricity use is just and reasonable.
- Whether the proposed elimination of the rate design meant to encourage energy efficiency is just and reasonable.
- Whether the proposed rates "punish" residential customers who conserve energy.
- Whether the proposed rates discourage energy efficiency and the installation of renewables.
- Whether the increased monthly charge for residential customers — from \$14.50 a month to \$20.50 a month — is just and reasonable.
- Whether the costs the co-op attributes to residential customers is just and reasonable.