

Proposal would raise average power bill \$9

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The Taos News, 11/3/2016

Kit Carson Electric Cooperative should be allowed to increase residential electric rates in order to generate an additional \$2 million a year.

That's the recommendation from Elizabeth Hurst, a hearing examiner who was appointed by the New Mexico Public Regulation Commission (PRC) to oversee an investigation into the co-op's proposed rate hike.

Hurst's proposal would increase the average homeowner's electric bill by about \$9 per month.

The recommendation is meant to guide elected members of the PRC, which has the final say on what rates will go into effect.

Kit Carson first announced it planned to increase electric rates in late 2015, but enough co-op customers protested to prompt an investigation by state regulators.

Now, nearly a year later, it appears the PRC will soon make a final determination on the increase.

Kit Carson originally proposed a rate hike of \$3.5 million. That included increasing the flat monthly fee for residential consumers from \$14.50 to \$20.50. It also included raising the cost of electricity from about 11 cents per kilowatt hour to around 13 cents per kilowatt hour.

However, staff for the PRC filed written testimony in the case arguing that the co-op failed to justify that increase. Staff and the co-op instead reached a tentative settlement that would have resulted in the same change in the flat fee, with the cost of electricity increasing by one cent. It would have also raised rates for other, non-residential coop customers.

But Hurst threw out that settlement, determining that the scope of the case was limited to only residential rates.

On Oct. 31, Hurst submitted her own recommended decision. It also proposed to raise the flat monthly fee to \$20.50, and suggested the base price of electricity be increased by about half a cent per kilowatt hour.

The co-op says the average residential customer uses around 450 kilowatt hours a month. Hurst's recommendation would mean an increase from around \$61.25 to \$70 a month.

Hurst's proposal rejected one key term of the settlement that had been proposed by the commission's staff and the co-op. That proposal would have eliminated the existing "inverted block rate," which charges consumers who use a lot of electricity more for that power.

Co-op CEO Lu's Reyes could not be reached for comment before press time, but has previously said there aren't enough high-use customers to generate the necessary revenue.

But Hurst wrote that getting rid of the inverted block rates would discourage energy conservation. She recommended customers that use less than 750 kilowatt hours a month pay 11.3 cents per kilowatt hour. Those who use between 750 and 1,150 kilowatt hours a month would pay 12.4 cents. and the highest users would pay 13.5 cents.

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