

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE FILING OF)	
ADVICE NOTICE NO. 69 BY SOCORRO)	
ELECTRIC COOPERATIVE, INC.)	Case No. 18-00383-UT
)	
SOCORRO ELECTRIC COOPERATIVE, INC.,)	
)	
Applicant.		

INITIAL ORDER APPOINTING HEARING EXAMINER

THIS MATTER comes before the New Mexico Public Regulation Commission (“Commission”) upon the Protests (“Protests”) filed by members of Socorro Electric Cooperative Inc. (“Socorro Electric”), who opposed the proposed rates in Socorro Electric’s Advice Notice No. 69, filed on December 3, 2018, and upon Socorro Electric’s Objections to Rate Protests filed on January 2, 2019 and upon Staff Determination Regarding Valid, Timely Protests filed on January 9, 2019; whereupon being duly advised in the premises,

THE COMMISSION FINDS AND CONCLUDES:

1. The Commission has jurisdiction over the parties and the subject matter of this proceeding pursuant to the New Mexico Constitution, the New Mexico Public Utility Act and other applicable law.

2. On December 3, 2018, Socorro Electric submitted Advice Notice Nos. 69, 70 and 71, all with a proposed effective date of January 3, 2019. SEC has applied to the Commission for an increase of approximately 5.06% or \$1,249,993 in revenue annually.

3. Advice Notice No. 69 noticed the original and revised rates for thirteen (13) rate schedules and included changes to **Rate No. 7 – Schedule of Fees**, and contains the actual dollar amount of fees proposed to be charged. Advice Notice No. 70 noticed **Original Form No. 23 – Optional Renewable Resource Power Rider Intent to Purchase Application** which is an

application for Socorro Electric's members to submit to voluntarily purchase new 100 kWh blocks of renewable resources or modify existing purchases of 100 kWh blocks of renewable resources. Advice Notice No. 71 noticed **First Revised Rule No. 5 – Fees** which states Socorro Electric's 17 various fees, including fees involved with delinquent accounts; metering; operations; calculation of member deposits; miscellaneous fees; and numerous changes to the existing Rule.

4. Pursuant to Rule 17.1.210.10 (D) NMAC and NMSA 1978, Section 62-8-7(B) (amended 1998), without a suspension order from the Commission, Socorro Electric's new rates would have become effective on January 3, 2019.

5. However, on December 19, 2018, the Commission issued an Order Suspending Proposed Rates filed by Socorro Electric in its Advice Notices No. 69 pending the Commission's review of the filing by Socorro Electric of its objections to the Protests filed protesting Advice Notices No. 69, by January 2, 2019; and pending review of the filing by Staff, by January 9, 2019, of its determination as to the number of valid, timely Protests and its determination as to whether Socorro Electric's filing of Advice Notice No.69 constitute a complete application for a rate increase pursuant to Section 62-8-7(B).

6. The Public Utility Act, at NMSA 1978, Section 62-8-7(H)(amended 2011), provides, in relevant part [with emphasis added]:

Upon the filing with the commission of a protest setting forth grounds for review of the proposed rates signed by the lesser of one percent of or twenty-five members of a customer rate class of the rural electric cooperative or foreign distribution cooperative and if the commission determines that there is just cause for reviewing the proposed rates on one or more of the grounds of the protest, the commission shall suspend the rates and conduct a hearing concerning the reasonableness of any proposed rates filed by a rural electric cooperative or a foreign distribution cooperative pursuant to Subsections C and D of this section. The protest shall be filed no later than twenty days after the filing with the commission of the schedule proposing new rates. (Emphasis added).

7. Under Rule 17.9.540.10 NMAC ("Protests by Coop Members") protests must be filed no later than twenty (20) days after a cooperative files a proposed rate schedule. Further, under Form I NM Rule 17.9.540, if protests are received in the number of the lesser of 25 or 1% of coop members, the Commission shall determine if there is just cause to review the rate proposal through a formal hearing.¹

8. The Commission's criteria for valid protests are listed in Rule 17.9.540.11(A) NMAC:

17.9.540.11 FORM AND FILING OF PROTEST:

A. Contents of Protest: Protests to the Commission must be in writing and shall be signed by the member or members submitting the protest or by their attorney. All protests shall contain the following:

(1) the name, mailing address, and phone number of each member protesting the proposed rate or rates, and the name, mailing address, and phone number of each member's attorney, if any;

(2) the name of the coop proposing the rate or rates and identification of the proposed rate or rates being protested;

(3) a clear and concise statement of the effect of the proposed rate or rates on the protestant;

(4) a clear and concise statement of the specific grounds upon which the protestant believes the proposed rate or rates are unjust, unreasonable, or otherwise unlawful;

(5) a brief description of the member's efforts to resolve his objections directly with the coop; and

(6) a clear and concise statement of the relief the protestant seeks from the Commission.

(7) All protests shall show the caption of the proceeding and the docket number and shall be titled "Protest." Whenever possible, protests shall be typed and double-spaced, shall be on paper 8 1/2 inches wide and 11 inches long, and fastened only on the left side.

9. On January 2, 2019, Socorro Electric filed its Objections to Rate Protests requesting the Commission dismiss the protests of the residential members, New Mexico tech

¹ Instructions for Protesting an Electric Cooperatives Rate Increase NMPRC Rule 17.9.540
Initial Order Appointing Hearing Examiner
18-00383-UT

and the City of Socorro. Socorro Electric contended, among other things, that none of the protests comply with 17.9.54.11.A.4 because Socorro Electric has demonstrated that: 1) it does have inadequate revenues and it cannot borrow money at a lower rate; ii) the proposed increases are not significant; iii) the residential customer increases are reasonable; iv) the general service increases in minimum charge and energy charge per kWh are modest; v) the increases for load management and are lighting are not substantial; vi) the proposed rate increases will not have a negative impact on the City of Socorro and its residents; and vii) the proposed increase in rates are fair, just and reasonable to all customer classes based upon Socorro Electric's Cost of Service Study and proposed changes in rate designs..

10. On January 9, 2019, Staff filed its Determination, which stated that Staff identified 50 protests filed by December 23, 2018, presented as self- identified members of Socorro Electric broken out as follows: i) 48 were protesting Residential rates; ii) 1 protest protested Large Commercial Service (submitted by New Mexico Tech); and iii) 1 protest, submitted by the City of Socorro, protested General Service rates (residential), Load Management Service rates, and 1 protest, submitted by the City of Socorro, Area Lighting Service rates.

11. According to Staff, all of the protests provided provide the information requested by Commission Rule 17.9.540.11 NMAC. Further, Staff's Determination found that all protests of SEC's proposed residential rates are in substantial compliance with the remaining requirements of Commission Rule 17.9.540.11 NMAC. For this reason, Staff concluded that there are at least 48 clear, timely and valid protests from residential members of Socorro Electric of the proposed General Service rate (residential), one (1) clear, timely and valid protest from a member (New Mexico Tech) who receives service from Socorro Electric under the Large

Commercial Rate, and one (1) clear, timely and valid protest from a member (City of Socorro) expressing concern about the proposed rates for General Service (residential), Load Management Service, and Area Lighting Service. Each of the three classes of protesters are protesting the rate changes set forth in Socorro Electric's Advice Notice 69.

12. Regarding whether or not the protests constitute either the lesser of 25 members of a class or 1% of a class, Staff identified that Socorro Electric provides service to 10,214 members under its General Service/Residential as of December 2017, per SEC's 2017 Annual Report; therefore, the 48 Residential members protests constitutes greater than 1% and as well as greater than 25. Staff further determined that there are 72 members served under Socorro Electric's Large Commercial rate; therefore, the one large commercial member protest submitted by New Mexico Tech constitutes greater than 1%. Finally, Staff determined that there is 1 member under the Load Management Service rate, and 95 members under the Area Lighting Service rate; therefore, the one large commercial member protest submitted by the City of Socorro constitutes greater than 1% for the Load Management Service rate and greater than 1% for the Area Lighting Service Rate.

13. With respect to Section 62-8-7(B) NMSA 1978 and to Commission Rules concerning the completeness of an application and the procedures for review of rates proposed by rural electric cooperatives, Staff determined that the Advice Notice No. 69 constitutes a complete application. Staff found there were no grounds for rejection of Advice Notice No. 69 pursuant to Commission Rule No. 17.9.540.9(D) NMAC. However, Staff recommended that, pursuant to Commission Rule 17.9.540.9(C) NMAC, the Commission direct SEC to supplement its filing of Advice Notice No. 69 with the filing of data, exhibits, illustrations, prepared testimony, or written argument which is pertinent to the schedule proposing new

rates.

14. Regarding the issue of whether or not Socorro Electric complied with Commission Rule 17.9.540.13(A) NMAC, Staff determined Socorro Electric provided timely written notice to affected customer 30 days prior to filing of proposed rates with the Commission, and, according to Staff, the notice appeared to be in compliance with Commission Rule 17.9.540.13(B) NMAC. In addition, in compliance with Rule 17.9.540.13(C) NMAC, Staff did have the opportunity to review Socorro Electric's proposed notice at least 15 days prior to giving notice to customers. Staff at that time concurred that the proposed notice appeared to be compliant with the Rule.

15. The Commission finds that, based on Staff's review of Advice No. 69: i) Socorro Electric's filing is compliant with Commission Rule 17.9.540.9(B) NMAC²; and ii) 48 General Service/Residential members protests constitutes greater than 1% and as well as greater than 25 members of the General Service/Residential class; one Large Commercial member protest submitted by New Mexico Tech constitutes greater than 1% of the Large Commercial class; and one protest submitted by the City of Socorro constitutes greater than 1% for the Load Management Service Rate class and greater than 1% the Area Lighting Service Rate class.

16. The Commission further finds that as required by Rule 17.9.540.12(A) NMAC, the Protests are in "substantial compliance" with the Commission's procedural Rules, particularly Rule 17.9.540.11 NMAC, and this finding has been made prior to the Commission determining whether just cause exists to review the proposed rates.

17. Further, upon its review of the 50 Protests, Socorro Electric's Objections to

² Advice Notice No. 69 includes: The coop's most recent REA Form 7; a proof of revenue statement for each class of customer to which the new rates apply; a statement comparing the new rates with the present rates, which statement shall contain the information required in Paragraph 3 of subsection B of 17.9.540.13 NMAC; and a brief statement explaining what has caused the need for the rate adjustment.

the Rate Protests, and Staff's Determination and Socorro Electric's Objections, the Commission finds that the questions raised by the 50 valid and timely Protests constitute just cause for the Commission to investigate the proposed rates, including its Residential Rates, its Load Management Service Rates, its Large Commercial Rates and its Area Lighting Service Rates, pursuant to NMSA 1978, Section 62-8-7(H), particularly on the following bases:

A. Is there substantial evidence to support the proposed rate increase per class and to support the allocation of the rate increase across customer classes; and

B. Has Socorro Electric demonstrated, with substantial evidence, that the proposed increase in rates per class is fair, just and reasonable; and

C. Has Socorro Electric demonstrated, with substantial evidence, that its revenue and operating margins require the proposed increase; and

D. Has Socorro Electric demonstrated how it derived the proposed new rates and charges, including but not limited to the proposed, increased "customer charges" (not tied to energy use), a new minimum charge, and changes to the energy charge per kWh.

IT IS THEREFORE ORDERED:

A. The suspension of Advice No. 69, set forth in the Commission's Order dated December 19, 2018, is hereby continued for a period of nine (9) months from December 19, 2018, in order to conduct a public hearing prior to the Commission's issuance of a final decision on whether the proposed rates are fair, just and reasonable.

B. Pursuant to its authority under NMSA 1978, Section 8-8-14 and the Utility Division Procedures set forth in Rule 17.1.2 NMAC, the Commission hereby appoints and

designates a **Carolyn R. Glick** as Hearing Examiner to preside over this case, to hold a hearing to examine and resolve the issues set forth in this Order, to take all action necessary and convenient thereto within the limits of the Hearing Examiner's authority, to take any other action in this case that is consistent with Commission procedure, and to submit a Recommended Decision containing proposed findings of fact and conclusions of law regarding this cause to the Commission, regarding the issues for which the protests established “just cause” as set forth in Paragraph 17.

C. The Hearing Examiner is specifically authorized to direct Socorro Electric to file data, exhibits, illustrations, prepared testimony, or written argument which is pertinent to the schedule proposing new rates and any further evidence and documentation to assist the Commission in making its final determination.

D. The deadline for intervention was set out in the December 19, 2018 Order.

E. This Order is effective immediately.

F. Copies of this Order shall be e-mailed to all persons on the attached Certificate of Service if their e-mail addresses are known, and otherwise shall be sent via regular mail.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico, this 23rd day
of January, 2019.

NEW MEXICO PUBLIC REGULATION COMMISSION

APPROVED

THERESA BECENTI-AGUILAR, CHAIR, DISTRICT 4

APPROVED

VALERIE ESPINOZA, VICE-CHAIR, DISTRICT 3

APPROVED

CYNTHIA HALL, COMMISSIONER, DISTRICT 1



JEFFERSON L. BYRD, COMMISSIONER, DISTRICT 2



STEPHEN FISCHMANN, COMMISSIONER, DISTRICT 5



BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE FILING OF ADVICE)
NOTICE NO. 69 BY SOCORRO ELECTRIC)
COOPERATIVE, INC.)
SOCORRO ELECTRIC COOPERATIVE, INC.,)
Applicant.)

Case No. 18-00383-UT

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing **Initial Order Appointing Hearing Examiner** issued by the New Mexico Public Regulation Commission on January 23, 2019, was sent via email and first-class mail on January 23, 2019 to the parties indicated below:

VIA EMAIL:

Nann Winter	nwinter@stelznerlaw.com ;
Mayor Ravi Bhasker	RBhasker@socorronm.gov ;
Donald Monette	dmonette@socorronm.gov ;
Polo Pineda	ppineda@socorronm.gov ;
Bradford Borman	Bradford.borman@state.nm.us ;
Milo Chavez	Milo.chavez@state.nm.us ;
Judith Amer	Judith.amer@state.nm.us ;
Leopoldo Pineda, Jr.	pineda@pineda.net ;
Rudy L. Chavez	elchavez67@gmail.com ;
Carl Lukesh	jlukesh@socorronm.gov ;
Stephanie Saavedra	ssaavedra@socorronm.gov ;
Arthur P. Gonzales	agonzales@co.socorro.nm.us ;
Abran Baca, Jr.	bongobaca@yahoo.com ;
Isacc Angel	isaccangel78@yahoo.com ;
Deanne Aragon	daragon1722@gmail.com ;
Catherine Stewart Roache	csr1938@sdc.org ;
Nancy Feraldi	nferaldi@gmail.com ;
Donald Monette	Donald@themonettes.com ;
Melissa Salazar	Meliss.salazar@yahoo.com ;
Johnny Sedillo	sedillojohnny@yahoo.com ;
Lena Chavez	lena.chavez1981@gmail.com ;
Ruby Lopez	rubbyalopez@yahoo.com ;

Sebastian A. Hinojosa
Davon Murriettta/Tiara Jojola
Violet Alvarado
Theresa Rivera
James Rivera
Zachery Anaya
Maribel Tarango
Valen Alonzo
Jim Quaranta
Anton Salome
Sammy Vivian
Demecio Silva
Enrique Trujillo
Jerry Griego
Tony Montoya
David Gutierrez
Sean Standiford
Don Steinnerd
Celina Baca
Robert Serna
Mark K. Adams

kisses_jaramillo@ymail.com;
tiara-jojola@yahoo.com;
itsmevioleta@yahoo.com;
Theresarosales22@gmail.com;
trivera@co.socorro.nm.us;
zanaya68@gmail.com;
southernmari2010@yahoo.com;
valonzo@socorronm.gov;
Elkmanjimaz@gmail.com;
asalome@socorronm.gov;
sammyvirg@live.com;
openseasongohunt@yahoo.com;
ultimate_dragon2004@yahoo.com;
dusty418@msn.com;
tbmontoya@gmail.com;
dgutierrezsr85@gmail.com;
sean.standiford@gmail.com;
reenerd@q.com;
CelinaBaca6@gmail.com;
7675Serna@gmail.com;
madams@rodey.com;

VIA FIRST-CLASS MAIL:

Jerald R. Lopeman
106 Stallion Circle
Socorro, New Mexico 87801

Manuel Lara
802 Texas Avenue
Socorro, New Mexico 87801

Toby Jaramillo
815 Calvin Street, NE
Socorro, New Mexico 87801

John and Barbara DeCosta
504 Central Avenue
Socorro, New Mexico 87801

Johnny Valencia
503 Dolores Drive
Socorro, New Mexico 87801

Samantha Anaya
1112 Lemiter Lane
Socorro, New Mexico 87801

Benny Anaya
1009 Granada
Socorro, New Mexico 87801

Michael P. Gonzales
804 Texas Avenue
Socorro, New Mexico 87801

Oscar Acosta
103 A Street
Socorro, New Mexico 87801

James Padilla
701 Bagley Street
Socorro, New Mexico 87801

Joe A. Flores, Jr.

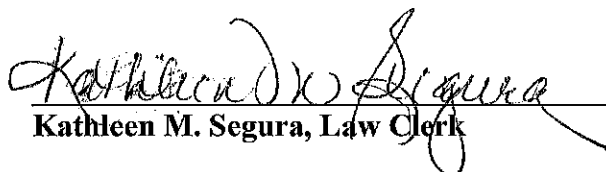
James Peralta
301 5th Street, #11
Socorro, New Mexico 87801

1107 Vermont
Socorro, New Mexico 87801

Wiggins, William Wiggins
Post Office Box 1308
Albuquerque, New Mexico 87103-1308

DATED this 23rd day of January 2019.

NEW MEXICO PUBLIC REGULATION COMMISSION


Kathleen M. Segura, Law Clerk