

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)	
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STIPULATION

This Stipulation is entered into between the Utility Division Staff (“Staff”) of the New Mexico Public Regulation Commission (“Commission”) and The Socorro Electric Cooperative (“SEC”), to resolve certain issues identified in the Stipulation in the above-captioned proceeding as directed in the Commission’s May 4, 2022 *Order Adopting Socorro Electric Cooperative’s And Staff’s Compromise* (“*Order Adopting Compromise*”).

A. General Terms.

1. SEC agrees to immediately implement the rates adopted in the September 11, 2019 *Final Order* in Case No. 18-00383-UT (“*Final Order*”), as indicated below.

2. SEC will track all of the rate changes ordered by the Commission in the *Final Order* since September 11, 2019 and, if SEC is unsuccessful in its Rate Case Appeal, it will adjust the accounts of those customers affected by these rate changes over a time period to be determined.

3. SEC will withdraw its appeal of the Commission’s April 15, 2020 *Order Granting The City Of Socorro, Tech, And Staff’s Joint Motion To Compel Socorro Electric Cooperative To Comply With The Final Order And Order Assessing Fines For Non-Compliance* (“*Compliance Order*”) and the March 30, 2022 *Revised Compliance Order*, its Motion to Stay before the New Mexico Supreme Court, and its two Petitions for Writs before the New Mexico Supreme Court. SEC is not required to withdraw its appeal of the Final Order. SEC is not waiving any argument it may assert in connection with fines imposed by the Commission or any argument it has made in connection with its appeals. SEC is not waiving any right to appeal the imposition of fines imposed by the Commission following its suspension of the fines.

4. Existing fines arising from the initial Compliance Order of April 15, 2020 will be suspended, to be revisited upon ultimate resolution of the appeal by the New Mexico Supreme Court.

5. All of the terms of this Stipulation are subject to the Commission's approval of this Stipulation. Should the Commission not approve this Stipulation, none of these terms will be in effect.

B. Approved Rates.

1. SEC agrees to immediately (no later than May 11, 2022) file an Advice Notice with the Commission containing the rates adopted in the Final Order. Those rates are set forth specifically in the Hearing Examiner's Recommended Decision, Exhibit 2, which is attached hereto as Attachment A and made a part of this Stipulation.

2. SEC will commence charging the rates adopted in the Final Order no later than June 3, 2022. SEC bills on the 15th and final day of each month.

C. Customer Notice.

1. SEC will provide customer notice as directed by the Commission in its initial Compliance Order of April 15, 2020, as modified in the *Order Adopting Compromise*. A copy of the Customer Notice to be provided is attached hereto as Attachment B.

2. SEC will provide notice by publishing the notice in the July Enchantment magazine and by posting the Customer Notice in a prominent place on its website.

FOR UTILITY DIVISION STAFF

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SOCORRO ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES

	Existing Rates	Hearing Examiner Recommended Rates	Change
Power Cost, per kWh Sold	\$0.083242	\$0.083242	\$0.000000
FCA/PCA Base Cost, per kWh Sold	\$0.074183	\$0.083242	\$0.009059
FCA/PCA Factor, per kWh	\$0.009059	\$0.000000	(\$0.009059)
Residential DCA Factor, per kWh	(\$0.002516)	\$0.000000	\$0.002516
Commercial DCA Factor, per kWh	(\$0.002152)	\$0.000000	\$0.002152
Residential			
Customer Charge	\$15.00	\$16.50	\$1.50
Energy Charge, per kWh	\$0.125000	\$0.131594	\$0.006594
Additional Minimum	\$0.00	\$0.00	\$0.00
Residential Energy Thermal Storage (ETS)			
Customer Charge	\$16.00	\$17.50	\$1.50
On Peak Energy Charge, per kWh	\$0.155000	\$0.162650	\$0.007650
Off Peak Energy Charge, per kWh	\$0.080000	\$0.087650	\$0.01
Additional Minimum	\$0.00	\$0.00	\$0.00
Residential Net Metering			
Customer Charge	\$15.00	\$16.50	\$1.50
Net Metering Option - Fee	\$5.00	\$5.00	\$0.00
Energy Charge, per kWh	\$0.125000	\$0.131594	\$0.006594
Excess Energy per kWh - Determined Annually	\$0.000000	\$0.000000	\$0.000000
Additional Minimum	\$0.00	\$0.00	\$0.00
Small Commercial			
Customer Charge	\$25.00	\$25.00	\$0.00
Energy Charge, per kWh	\$0.125000	\$0.131927	\$0.006927
Additional Minimum	\$0.00	\$0.00	\$0.00
Small Commercial Net Metering			
Customer Charge	\$25.00	\$25.00	\$0.00
Net Metering Option - Fee	\$5.00	\$5.00	\$0.00
Energy Charge, per kWh	\$0.125000	\$0.131927	\$0.006927
Excess Energy per kWh - Determined Annually	\$0.000000	\$0.000000	\$0.000000
Additional Minimum	\$0.00	\$0.00	\$0.00

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FCA/PCA Factor, per kWh	\$0.009059	\$0.000000	(\$0.009059)
Residential DCA Factor, per kWh	(\$0.002516)	\$0.000000	\$0.002516
Commercial DCA Factor, per kWh	(\$0.002152)	\$0.000000	\$0.002152
Large Commercial			
Customer Charge	\$75.00	\$73.59	(\$1.41)
Demand Charge, per Billing kW	\$15.00	\$14.98	(\$0.02)
Energy Charge, per kWh	\$0.077500		
First 200 kWh per kW		\$0.082214	\$0.004714
Next 200 kWh per kW		\$0.082214	\$0.004714
Over 400 kWh per kW		\$0.082214	\$0.004714
Large Commercial Net Metering			
Customer Charge	\$75.00	\$73.59	(\$1.41)
Net Metering Option - Fee	\$5.00	\$5.00	\$0.00
NCP Demand Charge, per NCP Billing kW	\$15.00	\$14.98	(\$0.02)
Energy Charge, per kWh	\$0.077500		
First 200 kWh per kW		\$0.082214	\$0.004714
Next 200 kWh per kW		\$0.082214	\$0.004714
Over 400 kWh per kW		\$0.082214	\$0.004714
Excess Energy per kWh - Determined Annually	\$0.000000	\$0.000000	\$0.000000
Irrigation			
Customer Charge	\$0.00	\$5.00	\$5.00
Horsepower Charge, per Billing HP (January Only)	\$10.00	\$0.00	(\$10.00)
Horsepower Charge, per Billing HP (Monthly)	\$0.00	\$0.84	\$0.84
Energy Charge, per kWh	\$0.110000	\$0.114630	\$0.004630

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FCA/PCA Factor, per kWh	\$0.009059	\$0.000000	(\$0.009059)
Residential DCA Factor, per kWh	(\$0.002516)	\$0.000000	\$0.002516
Commercial DCA Factor, per kWh	(\$0.002152)	\$0.000000	\$0.002152
Load Management			
Customer Charge	\$500.00	\$600.00	\$100.00
Energy Charge, per kWh	\$0.073000	\$0.072196	(\$0.000804)
Demand Charge, per Billing kW	\$15.00	\$18.50	\$3.50
Commercial Energy Thermal Storage (ETS)			
Customer Charge	\$16.00	\$17.50	\$1.50
On Peak Energy Charge, per kWh	\$0.155000	\$0.162650	\$0.007650
Off Peak Energy Charge, per kWh	\$0.080000	\$0.087650	\$0.007650
Additional Minimum	\$0.00	\$0.00	\$0.00
Stand-by Service for Self-Generators			
Customer Charge	\$209.00	\$209.00	\$0.00
NCP Demand Charge, per NCP Billing kW	\$5.50	\$5.50	
Distribution Secondary			
Distribution Primary			
Substation			
Transmission			
Energy Charge, per kWh	\$0.031500	\$0.031500	
CP Demand Charge, per CP Billing kW	\$21.28	\$21.28	\$0.00

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FCA/PCA Base Cost, per kWh Sold	\$0.074183	\$0.083242	\$0.009059
FCA/PCA Factor, per kWh	\$0.009059	\$0.000000	(\$0.009059)
Residential DCA Factor, per kWh	(\$0.002516)	\$0.000000	\$0.002516
Commercial DCA Factor, per kWh	(\$0.002152)	\$0.000000	\$0.002152
Private Area Lighting			
400 Watt HPS 176 kWh/Mo	\$21.75	\$22.66 142 kWh/Mo	\$0.91
100 Watt HPS 56 kWh/Mo	\$12.00	\$10.50 35 kWh/Mo	(\$1.50)
150 Watt HPS 70 kWh/Mo	\$12.25	\$12.76 53 kWh/Mo	\$0.51
31 Watt LED 11 kWh/Mo		\$10.98 11 kWh/Mo	
50 Watt LED 18 kWh/Mo		\$11.56 18 kWh/Mo	
199 Watt LED 72 kWh/Mo		\$16.38 71 kWh/Mo	
175 Watt MV 78 kWh/Mo	\$14.00	\$14.59 62 kWh/Mo	\$0.59
400 Watt MV 180 kWh/Mo	\$24.25	\$25.27 142 kWh/Mo	\$1.02
175 Watt MV Metered 78 kWh/Mo	\$9.50	\$9.90 62 kWh/Mo	\$0.40
175 Watt MV Shared 6 7 kWh/Mo	\$1.32		
175 Watt MV Shared 7 11 kWh/Mo	\$2.00		
Street Lighting			
250 Watt HPS 110 kWh/Mo	\$15.50	\$16.15 89 kWh/Mo	\$0.65
400 Watt HPS 176 kWh/Mo	\$21.75	\$22.66 142 kWh/Mo	\$0.91
100 Watt HPS 47 kWh/Mo	\$10.00	\$10.50 35 kWh/Mo	\$0.50
150 Watt HPS 70 kWh/Mo	\$12.25	\$12.76 53 kWh/Mo	\$0.51
115 Watt LED 41 kWh/Mo		\$13.44 41 kWh/Mo	
199 Watt LED 72 kWh/Mo		\$16.38 71 kWh/Mo	
175 Watt MV 78 kWh/Mo	\$14.00	\$14.59 62 kWh/Mo	\$0.59
400 Watt MV 180 kWh/Mo	\$23.25	\$25.27 142 kWh/Mo	\$2.02
250 Watt MV 110 kWh/Mo	\$16.00	\$16.67 89 kWh/Mo	\$0.67
400 Watt SV Interstate 180 kWh/Mo	\$23.25	\$24.23 142 kWh/Mo	\$0.98

SOCORRO ELECTRIC COOPERATIVE, INC.

SUMMARY OF RATES - CONSOLIDATED LIGHTING

	Hearing Examiner Recommended Consolidated Lighting Rates	
Power Cost, per kWh Sold		\$0.083242
FCA/PCA Base Cost, per kWh Sold		\$0.083242
FCA/PCA Factor, per kWh		\$0.000000
Residential DCA Factor, per kWh		\$0.000000
Private Area Lighting		
100 Watt HPS	35 Kwh/Mo	\$10.50
150 Watt HPS	53 kWh/Mo	\$12.76
250 Watt HPS	89 kWh/Mo	\$16.15
400 Watt HPS	142 kWh/Mo	\$22.66
175 Watt MV	62 kWh/Mo	\$14.59
250 Watt MV	89 kWh/Mo	\$16.67
400 Watt MV	142 kWh/Mo	\$25.27
31 Watt LED	11 kWh/Mo	\$10.98
50 Watt LED	18 kWh/Mo	\$11.56
115 Watt LED	41 kWh/Mo	\$13.44
199 Watt LED	71 kWh/Mo	\$16.38
400 Watt SV Interstate	142 kWh/Mo	\$24.23
175 Watt MV Metered		\$9.90

CUSTOMER NOTICE

This Notice is being mailed to all member-ratepayers of Socorro Electric Cooperative, Inc. ("SEC") as an update regarding the rate increase case filed by SEC with the New Mexico Public Regulation Commission (the "NMPRC" or the "Commission") in December 2018 (docketed as Case No. 18-00383-UT).

Please be informed that the Commission's Final Order in this case denied SEC's requested rate increase while approving instead a new rate design. SEC immediately appealed to the New Mexico Supreme Court and has never complied with the lawful Final Order. In addition, the Commission has enforced this Final Order which is valid because the Court has not issued a ruling, nor has it issued a stay of the Commission's Final Order.

The Commission further provides Notice that on April 15, 2020, the Commission issued a Compliance Order to SEC to immediately implement the Final Order and imposed fines in the amount of \$1,000.00 per day for the 185 days that SEC had not implemented the Final Order, plus \$1,000 per day for continuing violations after 185 days until the date of compliance. The Commission initially ordered that the fines would be paid by the Board of Trustees individually, and not be borne by the members of SEC, and further ordered that the fines were held abeyance for 60 days and that said fines were not due and payable if SEC complied with the Order by June 15, 2020 (the "Compliance Order").

Further, the Commission provides Notice that the April 15, 2020 Compliance Order's fining of Board of Trustees members as individuals also was appealed by SEC and the Commission has since revised that Order on March 30th 2022, when the Commission issued a Revised Compliance Order which ruled that since the Supreme Court has not stayed the Final Order in this case and SEC's continued, unlawful operation by billing its customers in violation of the Final Order is not in the public interest:

- SEC shall immediately comply with the Final Order effective as of the date of the Final Order and track and account for all increases and/or decreases to all customers that would have resulted from implementing the new rates set forth in the Final Order.
- SEC was ordered to show cause why it should not record, as of the date of the Final Order, regulatory assets or regulatory liabilities, as the Final Order is applied to each customer class, to account for what is due each class, as of the effective date of the Final Order, which accounting should continue until SEC complies with the Final Order.
- SEC is ordered to Cease-and-Desist its unlawful operation of billing customers in violation of the Final Order.
- Fines assessed by the Compliance Order, dated April 15, 2020, are not fines assessed against the Board of Trustee members as individuals but assessed against the corporation of SEC, Inc. Presently, the penalties of \$1000 per day since the effective dated of the Final Order, September 11, 2019, amount to more than \$800,000 – a cost that will be borne by the cooperative and its members as a whole.

The Commission believes this Notice to the ratepayers of SEC is essential because the Commission's mission requires that the Commission ensure that all utilities and intervenors comply with Commission orders, rather than allowing them to completely ignore and violate Commission orders and pretend that they were granted an automatic stay of all cases pending appeal—which is expressly not the law.

Since SEC is a member-owned Cooperative, the Commission believes it is its duty to notify the members of the legal and financial consequences of the Board of Trustee's choice to ignore a Commission Final Order.

To find out more, call the SEC offices at _____ or email info@_____

Sincerely, The New Mexico Public Regulation Commission

Summary of the September 11, 2019 Final Order of the Commission that has never been implemented by SEC

1. A re-allocation among the Residential, Energy Thermal Storage (“ETS”) and Irrigation to achieve a “just and reasonable outcome”: i) 2% increase in the amount of base revenue collected from the Residential Service class including the ETS service class; ii) 3% increase in the amount of base revenue collected from Irrigation Service class; and iii) both such re-allocations to be used to reduce revenues collected from the Large Commercial and Load Management Service classes;
2. A disapproval of SEC's proposed \$5.00 monthly “Minimum Use Charge” because “it would be punitive to low-use customers and result in rate shock;
3. A disapproval of SEC's rate design and approval of the following rate design: i) implement the 2% increase in revenue collected from the Residential Service Class through a \$1.50 or 10% increase in the Customer Charge; ii) no change to the Small Commercial Service Rate design; iii) decrease revenues collected from the Large Commercial Service Class and a change in the charges in SEC's existing Large Commercial Service rate structure in a manner that produces equivalent bill decreases for all Large Commercial Service customers; iv) modifying SEC's proposal to increase revenue to be collected from the Irrigation Service Class by adding a new \$5.00 Customer Charge and by increasing the variable energy charge by 4.21%; v) no change to the Load Management Service Class rate; vi) approval of SEC's proposal to cancel Rate No. 15 and replace it with two new rates (Original rate No. 8 for Residential Service with ETS and Original Rate No. 9 for General Service with ETS) and increase revenue to be collected from the ETS service classes³; vii) no change to existing Rate No. 14 for Standby Service for SelfGenerators Service Class; viii) granting SEC's request to consolidate Rate Nos. 4 and 5 so that non-LED lighting rates remain unchanged and LED lighting rates as set forth on page 80 of the RD should be adopted; ix) no change to net metering rates except that they would be subject to the \$5.00 minimum charge if their minimum consumption below a certain level; x) rejecting Mr. Steinnerd's request to split the Residential Class into 2 groups, Urban and Rural, because there is insufficient evidence to justify higher rates for rural customers; xi) SEC should offer an economic development rate; xii) SEC should immediately implement and collect a Renewable Energy and Conservation Fee under 17.9.57223.G NMAC (of no more that 1% of a customer's bill) and, as Staff recommended, should continue to promote Distributed Generation and increase its investments in renewables to achieve the targets for carbon-free power in the Energy Transition

Act (ETA); and xiii) denial of the City's request that the Commission open an investigation into the SEC Board's alleged practice of under-representing the City and to investigate into the cooperative rates and practices in general.

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.)**

CERTIFICATE OF SERVICE

I **CERTIFY** that on this date I sent to the parties listed here, via email only, a true and correct copy of the **Stipulation with Attachments A and B.**

Nann Winter	nwinter@stelznerlaw.com;
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Rick Ruggles	rruggles@sfnewmexican.com;

DATED this May 11th, 2022.

NEW MEXICO PUBLIC REGULATION COMMISSION

/s/ Peggy Martinez-Rael, electronically signed

Peggy Martinez-Rael, Paralegal

Peggy.Martinez-Rael@state.nm.us