

Sullivan-Leshin, Isaac, PRC

From: Sullivan-Leshin, Isaac, PRC
Sent: Wednesday, January 26, 2022 4:43 PM
To: Records, PRC, PRC
Subject: 21-00318-UT; Filing Submission
Attachments: 21-00318-UT-1.26.2022-Commission-Order Suspending Proposed Rates and Requiring Responses.pdf

IN THE MATTER OF REQUEST FOR APPROVAL OF GENERAL RATE)
ADJUSTMENT PURSUANT TO 17.9.540,)
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC., PETITIONER.) **Case No. 21-00318-UT**

Please file the attached ORDER SUSPENDING PROPOSED RATES AND REQUIRING RESPONSES into the above captioned case.

Thank you.

Isaac Sullivan-Leshin
Law Clerk for Office of General Counsel



New Mexico Public Regulation Commission
PO Box 1269
Santa Fe, New Mexico 87504-1269
isaac.sullivan-leshin@state.nm.us
Phone: (505) 670-4830

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF REQUEST FOR APPROVAL OF)
GENERAL RATE ADJUSTMENT PURSUANT TO 17.9.540,)
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.,) Case No. 21-00318-UT
PETITIONER.)**

ORDER SUSPENDING PROPOSED RATES AND REQUIRING RESPONSES

THIS MATTER comes before the New Mexico Public Regulation Commission (“Commission”) upon the December 30, 2021 filing by Jemez Mountains Electric Cooperative, Inc. (“JMEC”) of its Application for Approval of General Rate Adjustment and Request for Variance Pursuant to 17.1.3.7 (B) NMAC (“Application”)¹ and the filing by JMEC of its Advice Notice No. 116 proposing new rate schedules; wherefore being duly advised in the premises;

THE COMMISSION FINDS AND CONCLUDES:

1. On December 30, 2021, JMEC submitted its Application and Advice Notice No.116 for proposed new rates pursuant to Rule 17.9.540.9 NMAC, including proposed rate increases for the following types of service: residential, small commercial, large power service and large power service (contract) and street and security lighting.
2. JMEC’s Notice to Ratepayers asserts that the intention of the filing is to redesign rates to more accurately reflect cost recovery between fixed and variable costs and to increase rates to provide additional revenue necessary to adequately staff, operate and maintain JMEC’s system, and to maintain the financial ratios required by JMEC’s lenders.

¹ JMEC’s last general rate increase occurred in 2013 (effective June 26, 2013) pursuant to the Final Order in Case No. 12-00258-UT.

3. NMSA 1978, Section 62-8-7(H) states that members of rural electric cooperatives, such as JMEC, may protest new rates by written protest to the Commission within twenty days after the filing with the Commission of the schedules proposing the new rates.

4. Customer protests needed to be filed by close of business on January 19, 2022.

5. On January 18, 2022, a document entitled “Protest” was timely filed in this docket, showing the signatures of 149 members of JMEC who state they opposed the proposed rates in JMEC’s Advice Notice No. 116 (“Protest”). The customer class is not specified for each signatory to the Protest.

6. The Commission finds that, regarding the form and filing of a protest as set forth under 17.9.540.11 NMAC, the Protest is in substantial compliance with the procedural rules because, while the Protestants did not utilize the Commission’s form for protest, Section 17.9.540.11(B) NMAC provides that a protestant may, but is not required to, use the Commission’s form for protests.

7. 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.

8. In its Advice Notice, JMEC states that the proposed general rate increase under Advice Notice No. 116 represents an estimated increase of \$4,789,770 or nine percent in total revenues to JMEC. The proposed rates would apply to Rate No. 1 – Residential Service, Rate No. 2 – Small Commercial Service, Rate No. 3 – Large Power Service, Rate No. 4 – Large Power Service (Contract), and Rate No. 6 – Street and Security Lighting Service.

9. The Protestants indicate two primary objection areas to the proposed rate increase as follows: (1) The overall 9% average rate increase in the amount of \$4.8 million, annually; (2)

The Cost of Service (COS) methodology utilized to develop the proposed rates. The Protestants request that the Commission investigate the contents and merits of the rate increase to ensure that JMEC ratepayers are treated fairly and impartially. The Protests further request that the Commission require the Cooperative to file a 1-2 page summary brief, within 60 days after the conclusion and findings of the rate case. The Protests assert the Advice Notice proposes an overall 9% increase which is unwarranted.

10. The Public Utility Act, at NMSA 1978, Section 62-8-7(G)(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.

11. Upon its review of the Protests, the Commission finds that the issues raised include, without limitation, whether the proposed rate increase is, overall, fair, just and reasonable.

12. 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, JMEC's new rates would become effective on January 29, 2022.

13. The Commission finds that pursuant to Section 62-8-7(G) JMEC's Advice Notice No. 116 should be suspended in order to allow the Commission, pursuant to 17.9.540.12 NMAC, to determine whether or not there is just cause for reviewing the proposed rates on one or more grounds of the protest.

14. The Commission finds that JMEC should be given a reasonable amount of time to object to the Protests and that the Commission's Utility Division Staff ("Staff") should be given a reasonable amount of time to determine the number of valid, timely Protests and to determine if JMEC's filing of Advice Notice No.116 constitutes a complete application pursuant to Section 62-8-7(B) and whether JMEC should be required to file a completed rate application in Case No. 21-00318-UT that includes a fully allocated COS study and supporting testimony and exhibits as appropriate and whether the requested variance to use a 2019 base period instead of a 2020 base period should be granted. In other words, should the Commission grant JMEC's request for a variance from the definition of a base period defined in 17.1.3.7(B) NMAC and authorize JMEC to implement an adjusted base period as contained in its Cost of Service Study;

IT IS THEREFORE ORDERED:

A. The proposed rates filed by JMEC in its Advice No. 116 are suspended pending the Commission's review of the filings by JMEC and Staff described herein.

B. JMEC shall file its objections to the Protests no later than February 3, 2022, including reasons for its position and shall serve a copy of this Order and its objections to all protestors that signed the Protest by email, if e-mail addresses are known, or by regular mail otherwise.

C. No later than February 10, 2022, Staff shall file its determination as to: i) the number of valid, timely Protests per rate class; ii) whether or not it concurs with JMEC's objection to the Protests, including reasons for its position; iii) whether JMEC's filing of Advice Notice No.116 and Application constitutes a complete application pursuant to Section 62-8-7(B); iv) whether JMEC should be required to file a completed rate application in Case No. 21-00318-UT that includes a fully allocated COS study and supporting testimony and exhibits; v) whether the requested variance to use a 2019 base period instead of a 2020 base period should be granted and

whether the Commission should grant JMEC’s request for a variance from the definition of a base period defined in 17.1.3.7(B) NMAC and authorize JMEC to implement an adjusted base period as contained in its Cost of Service Study; and vi) whether the Commission should assign this matter to a hearing examiner for a public hearing.

D. This Order is effective immediately.

E. A copy of this Order shall be served upon all persons listed on the attached Certificate of Service, by e-mail, if e-mail addresses are known, or by regular mail otherwise.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico, this 26th day of January, 2022.

NEW MEXICO PUBLIC REGULATION COMMISSION

NO VOTE CAST

CYNTHIA B. HALL, COMMISSIONER DISTRICT 1

/s/ Jefferson L. Byrd, electronically signed

JEFFERSON L. BYRD, COMMISSIONER DISTRICT 2

/s/ Joseph M. Maestas, electronically signed

JOSEPH M. MAESTAS, COMMISSIONER DISTRICT 3

/s/ Theresa Becenti-Aguilar, electronically signed

THERESA BECENTI-AGUILAR, COMMISSIONER DISTRICT 4

/s/ Stephen Fischmann, electronically signed

STEPHEN FISCHMANN, COMMISSIONER DISTRICT 5



BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF REQUEST FOR APPROVAL OF)
GENERAL RATE ADJUSTMENT PURSUANT TO)
17.9.540) Docket No. 21-00318-UT
JEMEZ MOUNTAINS ELECTRIC COOPERATIVE,)
INC., PETITIONER.)**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing **Order Suspending Proposed Rates and Requiring Responses** was sent via email to the following parties on the date indicated below:

Ann L. Mauzy	amauzy@netzero.net;
Antonio R. and Deborah Pefia	Tonypena48@gmail.com;
Brad Borman	Bradford.Borman@state.nm.us;
Carmen Campbell	ccampbell@jemezcoop.org;
Carolyn J. Abeita	cabeita@nmlawgroup.com;
Cristella Trujillo-Neal	losneals@gmail.com;
Cristina Salazar-Langley	tina.sal.lang@gmail.com;
Dan Najjar	dnajjar@virtuelaw.com;
Danny Ray Campo	sgtdanny@aol.com;
David Ault	david.ault@state.nm.us;
David Dogruel	ddogruel@earthlink.net;
Elizabeth Ramirez	Elizabeth.Ramirez@state.nm.us;
Frank Coppler	sfcoppler@coppler.com;
Gideon Elliot	gelliot@nmag.gov;
Gilbert Fuentes	GilbertT.Fuentes@state.nm.us;
Jack Sidler	jack.sidler@state.nm.us;
Jim Klukkert	jimklukkert@yahoo.com;
Joe Archuleta	archuleta@lanl.gov;
Joe M. Tenorio	jmt@chestnutlaw.com;
John Reynolds	John.Reynolds@state.nm.us;
Joseph Yar	joseph@yarlawoffice.com;
Jude Pardee	Jude.pardee@gmail.com;
Judith Amer	Judith.amer@state.nm.us;
Kelly Richerson	Kelly.Richerson@state.nm.us;
Keven Gedko	kgedko@nmag.gov;
Lionel and Monica Roybal	mfroybal@gmail.com;
Michael Hastings	mhastings@jemezcoop.org;
NM Attorney General	utilityfilings@nmag.gov;
Peggy Martinez-Rael	Peggy.Martinez-Rael@state.nm.us;
Peter C. Chestnut	pc@chestnutlaw.com;

Rachel Brown
Richard Hughes
Richard Rochester
Robert Lundin
Sharon Dogruel
Shawna Tillberg
Steve and Nancy Carson
Steve J. Duran
Suzanne A. Shaw
Tina Trujillo
William Herrmann
John Bogatko
Gabriella Dasheno
Elisha Leyba-Tercero
Bryce Zedalis

rabrown@co.santa-fe.nm.us;
rwhughes@rothsteinlaw.com;
RanchoNambe@gmail.com;
robert.lundin@state.nm.us;
dogruel@earthlink.net;
shawna@yarlawoffice.com;
rangehands@gmail.com;
Six2five4steve@aol.com;
SShaw@puebloofpoioaque.org;
ttrujillo@jemezcoop.org;
William.herrmann@state.nm.us;
john.bogatko@state.nm.us;
gabriella.dasheno@state.nm.us;
elisha.leyba-tercero@state.nm.us;
bryce.zedalis1@state.nm.us;

DATED this 26th day of January, 2022.

NEW MEXICO PUBLIC REGULATION COMMISSION

/s/ Isaac Sullivan-Leshin, electronically signed

Isaac Sullivan-Leshin, Law Clerk

Isaac.sullivan-leshin@state.nm.us