



Jemez Mountains Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative



For Immediate Release

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JMEC Submits New Rate Increase Proposal

JMEC rates would be third lowest of the 11 New Mexico Tri-State G&T cooperatives

ESPAÑOLA, N.M., June 20, 2022 – Jemez Mountains Electric Cooperative, Inc., (JMEC) filed an amended rate increase application June 10, 2022, with an updated cost of service study as ordered February 23, 2022, by the New Mexico Public Regulation Commission (PRC). JMEC's rates for the average (722 kWh) residential user would be the third lowest among all 11 New Mexico electric cooperatives served by Tri-State Generation and Transmission Association, Inc.

"It will have been 10 years since the last rate increase went into effect," said Michael Hastings, JMEC CEO and general manager. "In that time, the U.S. consumer price index for all items has increased nearly 26 percent¹. The cooperative has lost money the last two years, is far behind on basic maintenance and facility investment required by our insurers and does not meet the safe and reliable operating standards our regulators require, and our members deserve."

The rate increase would amount to \$11.28 more per month for the average (722 kWh) residential member. The overall system increase is 11.65 percent.

That is higher than the 9 percent increase in the application JMEC filed in December 2021 which used the pre-pandemic 2019 12-month period as its test year. While not the most recent 12-month period, the cooperative deemed it met regulators' requirement that the consumption data of the test year be "normal." JMEC's 2020 pandemic-year consumption data was not normal, showing drastically higher use by residential members and similar lower use by the commercial classes. Any rate increase based on that period would be unfavorable to the residential members.

The original cost of service study accompanying the December 2021 filing indicated JMEC needed an overall increase of about 11 percent, however, the board of trustees approved a lower rate request (9 percent) at that time.

The higher – 11.65 percent – proposed rate increase in the June 10, 2022, filing reflects the change in realized expenses based on the 12 months ending February 28, 2022 – the most recent 12-month period as required by the PRC. The increase in the cost of benefits, property taxes, insurance, materials, the catch-up system maintenance required by our insurers and more that were ramping up in just the last year had not been fully reflected in the cooperative's operating costs.

"It is not reasonable to expect to safely operate an electric utility with 2012 revenues," said Hastings. "JMEC is legally obligated to comply with federal regulations that require we achieve a minimum financial performance and morally obligated to operate the utility safely and reliably. This rate change must occur for the cooperative to do so."

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For more information:

- **Community presentations:** Those who would like to invite a member of the JMEC team to visit with their group about the proposed rate increase, may schedule by calling Tina Trujillo at 505.367.1151 or emailing ttrujillo@jemezcoop.org.
- **JMEC website:** Web pages dedicated to information on the proposed rate increase can be found by navigating from the JMEC home page at www.jemezcoop.org.
- **Questions:** Carmen Campbell, district manager and tribal liaison for JMEC, is facilitating answers for questions from members and consumers served by JMEC. She can be reached at 505.367.1194 or ccampbell@jemezcoop.org.
- **enchantment newsletter:** JMEC will include updates to the proposed rate change as they are available in the cooperative's monthly newsletter.
- **JMEC Facebook, LinkedIn and Twitter profiles:** JMEC will include updates as appropriate for these channels.

Hastings pointed out that as a not-for-profit, cost-of-service electrical service provider, JMEC charges its members only what it costs to serve them, safely and reliably, while meeting the regulated minimum financial metrics. "It is the cooperative way," he added. "JMEC has kept its rates among the lowest among our peers for the last 20 years and that will continue with the proposed rate change."

About Jemez Mountains Electric Cooperative, Inc.

Incorporated in 1948, Jemez Mountains Electric Cooperative, Inc. (JMEC) serves more than 27,500 members and consumers in five northern New Mexico counties – McKinley, Rio Arriba, San Juan, Sandoval, Santa Fe – in three service districts – Espanola, Jemez Springs, Cuba – spread out over 7,000 square miles and 4,142 miles of transmission and distribution lines. It is the largest electric cooperative in the state of New Mexico and includes in its territory Native American lands including those of the Jicarilla Apache Nation, The Navajo Nation as well as the pueblos of Jemez, Nambe, Ohkay Owingeh, Pojoaque, San Ildefonso, Santa Ana, Santa Clara and Zia.

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¹ CPI inflation calculator <https://bit.ly/3ttv8wp>

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