

Otero County Electric Cooperative, Inc. Notice of Filing of Proposed General Rate Adjustment

Otero County Electric Cooperative, Inc. (OCEC) will file Advice Notice No. 61, proposing new rate schedules with the New Mexico Public Regulation Commission (Commission), on or around December 2, 2019. 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 operate and maintain OCEC's system, and to maintain the financial ratios required by OCEC's lenders.

Pursuant to Rules 540 and 17.12.53 NMAC of the Commission's Rules of Practice and Procedure, OCEC's Members are hereby notified of the following:

I. Amount of Increase

The requested rate change represents an estimated increase of \$1,391,627 or 4.39% in total revenues to OCEC.

II. Customer Classes to Which the New Rates Apply

The proposed rates will apply to Rate No. 1 – General Service, Rate No. 2 – Large Power, Rate No. 3 – Lighting Service, and Rate No. 13 – Residential Service.

III. Present and Proposed Rates

The Present rates are increased or decreased above or below the base purchased power cost of \$0.082125/kWh sold. The proposed rates shall also be increased or decreased by the amount that OCEC's purchased power cost per kWh exceeds or is less than \$0.082125 per kWh, as specified by NMPRC Rule 550 and any New Mexico Public Regulation Commission approved variance from the Rule.

The number of accounts, present rates and proposed rates for each affected customer class are as follows:

Residential Service – 15,768 Consumers	Present	Proposed
Residential Service		
Purchased Power Cost Adjustment, per kWh	\$0.005265	\$0.005265
Debt Cost Adjustment, per kWh	\$(0.001362)	\$(0.001362)
Customer Charge per month	\$25.00	\$30.00
Energy Charge, per kWh	\$0.135599	\$0.137100
Residential Optional Time of Use Service		
Customer Charge – Time of Use per month	\$27.50	\$32.50
Energy Charge On-Peak, per kWh	\$0.221386 (3pm-9pm)	\$0.265000 (3pm-9pm)
Energy Charge Off-Peak, per kWh	\$0.093472	\$0.090000
Residential Optional Seasonal Service		
Customer Charge per year	\$300.00	\$360.00
Energy Charge, per kWh	\$0.135599	\$0.137100
General Service – 3,326 Consumers	Present	Proposed
General Service		
Purchased Power Cost Adjustment, per kWh	\$0.005265	\$0.005265
Debt Cost Adjustment, per kWh	\$(0.001003)	\$(0.001003)
Customer Charge per month	\$26.00	\$30.00
Demand Charge, First 10 kW per month	\$0.00	\$1.25
Demand Charge, Over 10 kW per month	\$9.25	\$9.25
Energy Charge, per kWh	\$0.122165	\$0.115000
General Service Optional Time of Use Service		
Customer Charge per Month	\$28.50	\$32.50
Demand Charge, First 10 kW per month	\$0.00	\$1.25
Demand Charge, Over 10 kW On-Peak	\$20.50 (3pm-9pm)	\$20.50 (3pm-9pm)
Demand Charge, Over 10 kW Off-Peak	\$3.00	\$3.00
Energy Charge, On-Peak, per kWh	\$0.133600 (3pm-9pm)	\$0.131900 (3pm-9pm)
Energy Charge, Off-Peak, per kWh	\$0.096100	\$0.094400
Large Power Service – 233 Consumers	Present	Proposed
Large Power Service		
Purchased Power Cost Adjustment, per kWh	\$0.005265	\$0.005265
Debt Cost Adjustment, per kWh	\$(0.001461)	\$(0.001461)
Customer Charge per month	\$80.00	\$80.00
Demand Charge, First 500 kW per month	\$10.50	\$11.25
Demand Charge, Over 500 kW per month	\$14.50	\$14.50
Energy Charge, First 500,000 kWh per month	\$0.109586	\$0.111400
Energy Charge, Over 500,000 kWh per month	\$0.090711	\$0.089300
Large Power Service Optional Time of Use Service		
Customer Charge	\$90.00	\$90.00
Demand Charge, On-Peak	\$20.50 (3pm-9pm)	\$20.50 (3pm-9pm)

Demand Charge, Off-Peak	\$3.00	\$4.00
Energy Charge On-Peak, per kWh	\$0.124670 (3pm-9pm)	\$0.124200 (3pm-9pm)
Energy Charge Off-Peak, per kWh	\$0.099670	\$0.099200

Lighting Service		Present	Proposed
Purchased Power Cost Adjustment, per kWh		\$0.005265	\$0.005265
Debt Cost Adjustment, per kWh		\$(0.001362)	\$(0.001362)
42 Watts LED	13 kWh/Mo	\$14.95	20-50 Watts LED \$15.70
51-75 Watts LED	21 kWh/Mo	N/A	\$19.95
76-110 Watts LED	32 kWh/Mo	N/A	\$23.90
300-400 Watts LED	124 kWh/Mo	N/A	\$78.30
150 Watts HPS	75 kWh/Mo	\$14.95	\$15.70
250 Watts HPS	107 kWh/Mo	\$18.97	\$19.95
400 Watts HPS	165 kWh/Mo	\$22.74	\$23.90
1,000 Watts HPS	398 kWh/Mo	\$74.56	\$78.30

The comparison of present and proposed rates for residential consumers at various kWh consumption levels is as follows:

Residential:

kWh	Present Rate	Proposed Rate	\$ Increase	% Increase
0	\$25.00	\$30.00	\$5.00	20.0%
250	\$59.88	\$65.25	\$5.37	9.0%
500	\$94.75	\$100.50	\$5.75	6.1%
750	\$129.63	\$135.75	\$6.12	4.7%
1000	\$164.50	\$171.00	\$6.50	4.0%
2000	\$304.00	\$312.01	\$8.01	2.6%

The Present Rate and Proposed Rate includes combined Fuel & Purchased Power Cost Adjustment and Debt Cost Adjustment of \$0.003903/kWh.

IV. Date of Filing

OCEC intends to file the proposed rates with the NMPRC on or around December 2, 2019.

V. Member Notification

OCEC will promptly notify a member of the date on which it actually files the schedule proposing the new rates if the member so requests.

VI. Automatic Effect of Rates

The schedules will go into effect automatically and without hearing, unless at least one percent or twenty-five (25) members of a customer class, whichever is fewer, file a protest with the Commission showing just cause for review of the schedule. The Commission will determine if the protest has given just cause for the review of the schedule. Such protest must be filed within twenty (20) days after OCEC files said schedules with Commission. THE COMMISSION WILL DETERMINE IF A HEARING IS TO BE SET. IF A HEARING IS HELD BY THE PUBLIC REGULATION COMMISSION, ANY COSTS INCURRED BY THE UTILITY (OCEC) MAY BE INCLUDED IN THE UTILITY'S FUTURE RATES, FOLLOWING THE UTILITY'S NEXT RATE CASE.

VII. Procedure for Filing a Protest

The procedures for protesting a proposed rate or rates are set forth in NMPRC Rule 540, a copy of which can be obtained upon request from or inspected at either OCEC, 404 Burro Street, PO Box 227, Cloudcroft, New Mexico 88317 (phone 575-682-2521 or 1-800-548-4660) or from the New Mexico Public Regulation Commission, 1120 Paseo de Peralta, PO Box 1269, Santa Fe, New Mexico 87504 (phone 1-888-427-5772).

VIII. Resolution of Protest

Prior to filing a protest with the Commission, an OCEC member should attempt to resolve any grievance by presenting his or her objections to the new rate, in writing, and allowing OCEC seven (7) days in which to attempt a resolution to the objection or to otherwise respond.

IX. Examination of Filings

Any interested person may examine the rate filing together with any exhibits or related papers that may be filed at any time at the main office of OCEC or after the date of filing at the offices of the New Mexico Public Regulation Commission, 1120 Paseo de Peralta, PO Box 1269, Santa Fe, New Mexico 87504.

X. Examination of Filings

Further information concerning this filing or the protest procedure may be obtained by contacting OCEC, 404 Burro Street, PO Box 227, Cloudcroft, New Mexico 88317 (phone 575-682-2521 or 1-800-548-4660) or from the New Mexico Public Regulation Commission, 1120 Paseo de Peralta, PO Box 1269, Santa Fe, New Mexico 87504 (phone 1-888-427-5772).



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