

Socorro Electric Co-op fights PRC and city

<https://www.abqjournal.com/2484925/socorro-electric-coop-fights-prc-and-city-ex-city-seeks-better-rate.html>

By [Kevin Robinson-Avila / Journal Staff Writer](#)

Published: Friday, April 1st, 2022 at 10:05PM

Updated: Saturday, April 2nd, 2022 at 12:05AM

When the Socorro Electric Cooperative's urban right-of-way franchise agreement ends in 2024, it could be kicked out of the city and replaced by a new municipal utility, according to Socorro Mayor Ravi Bhasker.

The eight-member Socorro City Council unanimously offered to buy out the cooperative in early March, but, failing that, the city is ready to expel the co-op from its property, Bhasker said.

"We gave the co-op the right to operate in our city and to deliver electricity, and it's our right to just take that back," Bhasker told the Journal. "We can tell them to get their equipment off our property. We do have that authority, and we'll exercise it."

The dispute between the city and the co-op has been building for years, but it's coming to a head now over the utility's refusal to comply with a state Public Regulation Commission order to restructure its electric rates. If implemented, the PRC order would lower costs for the city and such large consumers as the New Mexico Institute for Mining and Technology – which effectively subsidize residential customers through higher rates – while increasing charges on urban and rural residents.

The cooperative has appealed the PRC order at the state Supreme Court, arguing that the commission overstepped its authority by imposing a rate restructuring not sought by the utility. But, in January, the court rejected the co-op's request for a stay while it continues to review the appeal. And, on Wednesday, the PRC's five commissioners unanimously approved a "cease-and-desist" order to force the co-op to immediately implement the new rate structure.

The co-op also faces nearly \$900,000 in PRC-imposed fines of \$1,000 per day that have accumulated since April 2020, when the commission approved the penalties for non-compliance with the rate restructuring, ordered originally by the PRC in September 2019. The commission's Wednesday order also assigned a hearing examiner to review whether the PRC should calculate the savings that would have accrued for large customers since 2019 had the new rate structure been implemented to return that money to customers.

The co-op told the PRC previously that it won't comply with the PRC rate order until the Supreme Court rules on its appeal, despite court rejection of a stay. But the co-op declined to comment on the PRC's new cease-and-desist order.

"We're engaging our legal counsel and looking at our options," co-op general manager Joseph Herrera told the Journal. "We can't comment on pending litigation."

For the city, however, the PRC dispute is now secondary to municipal plans to push the co-op out by 2024, said Bhasker, who called the co-op a "rouge operation" for defying PRC regulatory authority.

"The PRC is supposed to oversee them, but they still say they won't comply," the mayor said. "To me, that's the definition of a rouge operation and they need to be stopped."

In the City Council's early-March buyout offer, it said a municipal utility could operate much more efficiently, lowering electric rates for all urban residents. It could also extend service to surrounding communities at lower prices than the co-op charges, Bhasker said.

The city has negotiated with third-party power providers who could supply wholesale electricity through such renewable resources as solar generation at nearly 50% lower cost than the co-op, which receives its power from wholesale cooperative supplier Tri-State Generation and Transmission, Bhasker said.

“The cooperative pays 8.5 cents per megawatt hour to Tri-State, but we can get wholesale power for just 4.5 cents,” Bhasker said. “We have an opportunity to enhance our revenue stream and give better service to our residents.”