

Socorro Electric Coop agrees to restructure rates

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Story by [Cathy Cook | El Defensor Chieftain Editor](#) | May 19, 2022

After three years of refusing to do so, last week the Socorro Electric Coop agreed to restructure its rates as directed by the New Mexico Public Regulation Commission in September 2019. This comes as a compromise between SEC and the NMPRC Utility Division Staff after several years of back and forth.

SEC will begin charging the new rates no later than June 3. The Coop is still appealing the rate redesign to the state Supreme Court.

In 2018, the Coop petitioned NMPRC to allow it to raise rates and increase Coop revenue, after members voted against a rate increase. The NMPRC decided the Coop should not be allowed to complete its requested rate increase. Instead it directed the Coop to restructure its rates in 2019. The rate redesign does not increase revenue for the Coop, but it does make quite a few changes to the rate structure.

These changes include raising residential rates and lowering rates for large commercial customers. Previously the Coop used large commercial customer rates to subsidize residential rates.

The Coop refused to follow the order, claiming NMPRC overstepped its authority. In an effort to get the Coop to follow the order, in 2020 NMPRC issued a \$1,000 per day fine for every day the Coop refused to implement the restructured rates. The Coop's refusal to follow the order means the fine has accumulated to well over \$800,000. As part of the compromise, existing fines will be suspended and revisited once the rate case appeal to the Supreme Court is resolved.

In this compromise, SEC is tracking all of the rate changes it was ordered to implement in 2019. If it is unsuccessful in its rate case appeal to the state's Supreme Court, SEC will adjust the accounts of customers affected by the changes over a time period that is yet to be determined.

SEC is withdrawing all of its appeals except for its initial appeal of the order that it restructure rates. SEC has also not waived any rights to appeal the fines imposed by the Commission.