

SEC electric bills about to rise?

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City considers filing PRC protest –

By Scott Turner - El Defensor Chieftain Editor Sep 7, 2018

The City of Socorro is considering filing a protest with the New Mexico Public Regulation Commission over the Socorro Electric Cooperative's plans to raise rates.

Mayor Ravi Bhasker discussed the process of filing a protest with the City Council at its meeting Tuesday night.

"I'm just giving the Council kind of the route," Bhasker said. "I think the City and whoever wants to in the public, the businesses and so forth should look at this and protest and see exactly what they are upgrading."

At its Aug. 22 meeting, the SEC's Board of Trustees passed a resolution with the intention of raising rates \$1.2 million for five years. Bhasker is concerned the rate increase is tied to a resolution passed at the same meeting to take out a \$26 million federal loan.

"They approved a resolution to go out for a loan, RUS is the company that gives money to the Co-ops, in this case they are requesting \$26 million to upgrade," Bhasker said. "They did not specify to my knowledge what the upgrades are with the exception of metal poles from Socorro to Magdalena. That doesn't cost \$26 million. They plan to raise rates \$1.2 million for five years. That does not pay off the loan."

Chief Procurement Officer Polo Pineda told the Council he thought the loan was for 30 years.

"In five years, they might have another cost of service study and raise it (rates) again," Pineda said.

"The Co-op is already \$50-60 million in debt," Bhasker said. "They're going to go into debt for another \$26 million."

Bhasker said the Co-op needed to specify what it intended to do with the loan.

Bhasker said the City could request a meeting with the Co-op board over those plans.

Bhasker said he personally felt the City should protest and ask for specifics on the loan and rates.

"It will affect all of our budgets," Bhasker said. "What benefits are we going to be getting, let's say for the whole Co-op and not just Socorro?"

Bhasker and Councilor Mary Ann Chavez-Lopez also voiced concerns about how the SEC would notify its members about the rate increase.

"According to the PRC, the Co-ops only have to tell the public about the increase it says 'the dates the rates are filed will be stated on a notice to customers that you have received from the Cooperative, either through the Enchantment or a special notice,' " Bhasker said. "I doubt very much we're going to get a special notice, but everybody who gets the Enchantment should make sure they look at it and see how it is going to affect them."

The Enchantment is a tabloid that is circulated to members of electric cooperatives statewide.

"Why didn't they tell everyone about this at their annual meeting?" Chavez-Lopez asked