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PRC Orders Rate Hearing for Co-Op

By Andy Stiny For the Journal

SANTA FE — The Public Regulation Commission has authorized a hearing on Kit Carson Electric Cooperative's plan to raise its electricity rates will take place.

The commission voted 4-0 last week to hold a hearing on the pros and cons of the rate hike after deciding that at least 25 consumer protests were valid under PRC rules — the threshold required to move forward.

Kit Carson failed to "meet its burden of proof" to invalidate more than 200 protests, said PRC public information officer Gerald Garner Jr. The co-op maintained that only six protests were valid.

The commission, which will appoint a hearing officer for a future hearing, suspended the co-op's rate request Dec. 14.

An overflow crowd of more than 100 people, mostly co-op members, came to last week's meeting at the PERA Building in Santa Fe, some listening from the hallway and via an audio feed piped into a nearby conference room. The hearing lasted more than five hours.

PRC Commissioner Jason Marks questioned Kit Carson CEO Luis Reyes about why the co-op had deemed some protests invalid. The co-op maintained numerous written protests were not specific enough or did not contain "a clear and concise" statement as required by PRC regulations.

Marks referred to a protest from co-op member Felipe Abeyta.

"He conserves energy and these rates will hurt him is not a specific enough complaint, because you are right and he is wrong his protest doesn't count?" Marks asked.

The audience applauded.

Reyes responded that those who used less electricity were being subsidized by those who use more.

As part of the same exchange, Reyes said, "We didn't know if that person knew what they were signing on the form letters." That comment drew a groan from the crowd.

During more questioning from Marks, Reyes said that possibly five of the protest forms could be fraudulent, with names that couldn't be verified; that some, probably less that 30, had factual problems; and that 225 or so had issues about whether customers used "the right words" on protest forms.

Reyes said protests dealing with where the co-op gets its power, co-op board governance, new co-op districts and business diversification should be withdrawn.

There have been allegations by those opposed to the rate increases, which the co-op denies, that Kit Carson is trying to raise rates to compensate for shortfalls in the co-op's propane and Internet businesses.

The co-op proposes to raise the current fixed residential customer charge from \$10 to \$20.50 monthly. In addition, the charge for kilowatt usage for residential customers will go up an average of \$3.49 a month, according to Reyes.

The co-op has about 21,800 residential customers.

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