

# NOTICE OF FILING

Lea County Electric Cooperative, Inc. (LCEC) will file proposed rate schedules, under Advice Notice No. 63, on or around December 1, 2023, with the New Mexico Public Regulation Commission (NMPRC) which will result in a system-wide revenue increase of \$4,065,646 for all the classes of service.

**1. Amount of Increase**

LCEC is requesting an increase of \$2,434,861 or 4.19 % in New Mexico, and \$1,630,785 or 3.73% percent in Texas, for the test period of January 2022 – December 2022. For a combined total of 3.97%

**2. Reason for Change**

The proposed rate revisions are based upon a detailed cost-of-service study conducted by a consultant to the Cooperative. The rate revisions are necessary because the costs of providing electric service to LCECs’ members have increased significantly over the past year. Because LCEC is a not-for-profit utility, the proposed rate revisions are designed only to recover the increased operating costs of business since the last rate revisions. The new modern three-part rate structure puts members in position to manage their demand cost as well as minimizing any cross subsidization among members.

**3. Customer Classes to Which the New Rates Apply**

The proposed rate changes will affect Rate 1-Residential Service, Rate 8 Commercial EV Charging, Rate 10-Commercial Single Phase Service, Rate 11- Commercial Three Phase Service, Rate 12-Small Irrigation Service, Rate 13-Cotton Gin Service, Rate 14-Large Irrigation Service, Rate 15-Municipal and School Service, Rate 32-Secondary Service under 500 KW, Rate 21- Secondary Service 500 KW to 2 MW, Rate 33-Secondary Service Over 2 MW, Rate 23-Primary Service Under 500 KW, Rate 34-Primary Service 500 KW to 2 MW, Rate 25-Primary Service Over 2 MW, Rate 28-Petroleum Service, Rate 66-Large Power Grow Facility Service, Rate 68 STC-22 Service, Rate-40 Special Services and Charges.

THE PROPOSED RATE ENERGY CHARGE INCLUDES A BASE PURCHASED POWER COST OF \$.065154 WHICH WILL RESULT IN NO CHANGE TO THE PURCHASED POWER ADJUSTMENT.

**Rate Comparisons for Notice of Filing**

	<u>Current Rate</u>		<u>Proposed Rate</u>		<u>New Rate</u>
<b>Rate No. 1</b>	<b><u>New Mexico – Number of Customers</u></b>	<b>7,182</b>	Revenue Increase		\$559,555
Residential Service	<b><u>Texas –Number of Customers</u></b>	<b>1,869</b>	Revenue Increase		\$165,847
	Customer Charge (Single phase)	\$23.50	Customer Charge (Single phase)		\$23.50
	Customer Charge (Three phase)	\$38.50	Customer Charge (Three phase)		\$38.50
			Demand Charge-per kW		\$0.50
	Energy Charge-per kWh	\$0.082664	Energy Charge-per kWh		\$0.085371
	EV Charging Rider		EV Charging Rider		
	First 400kWh per month	\$0.072664	First 400kWh per month		\$0.060371
	Net Metering Monthly Charge	\$5.50	Net Metering Monthly Charge		\$5.50
<b>Rate No. 8</b>	<b><u>New Mexico – Number of Customers</u></b>	<b>0</b>	Revenue Increase		\$0
Commercial EV Charge	<b><u>Texas - Number of Customers</u></b>	<b>0</b>	Revenue Increase		\$0
			Customer Charge		\$55.00
			Demand Charge per kW		\$10.75
			Energy Charge-per kWh		\$0.06250
<b>Rate No. 10</b>	<b><u>New Mexico – Number of Customers</u></b>	<b>1,129</b>	Revenue Increase		\$106,701
Small Commercial	<b><u>Texas - Number of Customers</u></b>	<b>393</b>	Revenue Increase		\$38,055
	Customer Charge (Single phase)	\$27.50	Customer Charge (Single phase)		\$27.50
			Demand Charge-per kWh		0.75
	Energy Charge-per kWh	\$0.073054	Energy Charge-per kWh		\$0.077342
	Customer Charge (Three phase)	\$42.50	Customer Charge (Three phase)		\$42.50
	Energy Charge-per kWh	\$0.076554	Demand Charge-per kWh		0.75
	Net Metering Monthly Charge	\$5.50	Energy Charge-per kWh		\$0.077342
			Net Metering Monthly Charge		\$5.50
<b>Rate No. 11</b>	<b><u>New Mexico – Number of Customers</u></b>	<b>131</b>	Revenue Increase		\$125,245
Large Commercial under 500 kW	<b><u>Texas – Number of Customers</u></b>	<b>72</b>	Revenue Increase		\$64,455
	Customer Charge	\$45.00	Customer Charge		\$55.00
	Demand Charge-per kW	\$5.90	Demand Charge-per kW		\$7.90
	Energy Charge-per kWh	\$0.067595	Energy Charge-per kWh		\$0.065850
<b>Rate No. 12</b>	<b><u>New Mexico – Number of Customers</u></b>	<b>546</b>	Revenue Increase		\$137,900
Small Irrigation Service	<b><u>Texas – Number of Customers</u></b>	<b>1,747</b>	Revenue Increase		\$317,536
	Customer Charge	\$27.50	Customer Charge		\$30.00
	Demand Charge-per kW	\$6.30	Demand Charge-per kW		\$7.30
	Energy Charge-per kWh	\$0.067418	Energy Charge-per kWh		\$0.067548

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<b>Rate No. 13</b> Cotton Gin Service	<b><u>New Mexico – Number of Customers</u></b>	<b>0</b>	Revenue Increase	\$0
	<b><u>Texas – Number of Customers</u></b>	<b>8</b>	Revenue Increase	\$15,845
	Customer Charge	\$200.00	Customer Charge	\$200.00
	Demand Charge-per kW	\$8.50	Demand Charge-per kW	\$10.15
	Energy Charge-per kWh	\$0.07033	Energy Charge-per kWh	\$0.06682
<b>Rate No. 14</b> Large Irrigation Service	<b><u>New Mexico – Number of Customers</u></b>	<b>95</b>	Revenue Increase	\$52,110
	<b><u>Texas – Number of Customers</u></b>	<b>310</b>	Revenue Increase	\$161,162
	Customer Charge	\$35.00	Customer Charge	\$35.00
	Demand Charge-per kW	\$8.50	Demand Charge	\$9.50
	Energy Charge-per kWh	\$0.059472	Energy Charge-per kWh	\$0.059786
<b>Rate No. 15</b> Municipal and School Service	<b><u>New Mexico – Number of Customers</u></b>	<b>189</b>	Revenue Increase	\$78,558
	<b><u>Texas – Number of Customers</u></b>	<b>26</b>	Revenue Increase	\$11,077
	Customer Charge	\$35.00	Customer Charge	\$40.00
	Demand Charge-per kW	\$7.80	Demand Charge-per kW	\$9.05
	Energy Charge-per kWh	\$0.056929	Energy Charge per kWh	\$0.057562
<b>Rate No. 32</b> Secondary Service Under 500 kW	<b><u>New Mexico – Number of Customers</u></b>	<b>1,737</b>	Revenue Increase	\$359,179
	<b><u>Texas – Number of Customers</u></b>	<b>664</b>	Revenue Increase	\$371,262
	Customer Charge	\$75.00	Customer Charge	\$75.00
	Demand Charge-per kW	\$8.75	Demand Charge-per kW	\$10.70
	Energy Charge-per kWh	\$0.06126	Energy Charge	\$0.059499
<b>Rate No. 21</b> Secondary Service 500 kW to 2 MW	<b><u>New Mexico – Number of Customers</u></b>	<b>4</b>	Revenue Increase	\$48,568
	<b><u>Texas – Number of Customers</u></b>	<b>4</b>	Revenue Increase	\$20,793
	Customer Charge	\$300.00	Customer Charge	\$350.00
	Demand Charge-per kW	\$8.95	Demand Charge-per kW	\$11.20
	Energy Charge-per kWh	\$0.061160	Energy Charge-per kWh	\$0.059485
<b>Rate No. 33</b> Secondary Service Over 2 MW	<b><u>New Mexico – Number of Customers</u></b>	<b>0</b>	Revenue Increase	\$0
	<b><u>Texas – Number of Customers</u></b>	<b>0</b>	Revenue Increase	\$0
	Customer Charge	\$600.00	Customer Charge	\$600.00
	Demand Charge-per kW	\$9.35	Demand Charge-per kW	\$10.85
	Energy Charge-per kWh	\$0.060960	Energy Charge-per kWh	\$0.060670
<b>Rate No. 23</b> Primary Service Under 500 kW	<b><u>New Mexico – Number of Customers</u></b>	<b>185</b>	Revenue Increase	\$193,566
	<b><u>Texas – Number of Customers</u></b>	<b>109</b>	Revenue Decrease	\$131,733
	Customer Charge	\$150.00	Customer Charge	\$150.00
	Demand Charge-per kW	\$8.75	Demand Charge-per kW	\$10.70
	Energy Charge-per kWh (3% Discount may apply)	\$0.061260	Energy Charge-per kWh (3% Discount may apply)	\$0.059499
<b>Rate No. 34</b> Primary Service 500 kW to 2 MW	<b><u>New Mexico – Number of Customers</u></b>	<b>11</b>	Revenue Increase	\$85,901
	<b><u>Texas – Number of Customers</u></b>	<b>16</b>	Revenue Increase	\$205,919
	Customer Charge	\$400.00	Customer Charge	\$400.00
	Demand Charge-per kW	\$8.95	Demand Charge-per kWh	\$11.20
	Energy Charge-per kWh (3% Discount may apply)	\$0.061160	Energy Charge-per kWh (3% Discount may apply)	\$0.059485
<b>Rate No. 25</b> Primary Service Over 2 MW	<b><u>New Mexico – Number of Customers</u></b>	<b>6</b>	Revenue Increase	\$311,460
	<b><u>Texas – Number of Customers</u></b>	<b>2</b>	Revenue Decrease	\$127,101
	Customer Charge	\$600.00	Customer Charge	\$600.00
	Demand Charge-per kW	\$9.35	Demand Charge-per kWh	\$10.85
	Energy Charge-per kWh (3% Discount may apply)	\$0.060960	Energy Charge-per kWh (3% Discount may apply)	\$0.060670



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<b>Rate No. 28</b> Petroleum Service	<b><u>New Mexico – Number of Customers</u></b>	<b>2</b>	Revenue Increase	\$376,118
	<b><u>Texas – Number of Customers</u></b>	<b>0</b>	Revenue Increase	\$0
	Customer Charge	\$600.00	Customer Charge	\$600.00
	Demand Charge-per kW	\$9.85	Demand Charge	\$11.35
	Energy Charge-per kWh	\$0.050723	Energy Charge	\$0.051183
<b>Rate No. 66</b> Lg Power Grow Facility Service	<b><u>New Mexico – Number of Customers</u></b>	<b>0</b>	Revenue Increase	\$0
	<b><u>Texas – Number of Customers</u></b>	<b>0</b>	Revenue Increase	\$0
	Customer Charge	\$45.00	Customer Charge	\$55.00
	Demand Charge-per kW	\$8.60	Demand Charge-per kW	\$10.40
	Energy Charge-per kWh	\$0.063421	Energy Charge-per kWh	\$0.060500
<b>Rate No. 68</b> STC-22 Service Billing Per kW	<b><u>New Mexico – Number of Customers</u></b>	<b>0</b>	Revenue Increase	\$0
	<b><u>Texas – Number of Customers</u></b>	<b>0</b>	Revenue Increase	\$0
	Customer Charge Demand per billing kW	\$700.00	Customer Charge Demand per billing kW	\$735.00
	Transmission	\$1.20	Transmission	\$1.20
	Distribution Substation	\$2.25	Distribution Substation	\$2.50
	Distribution Primary	\$6.05	Distribution Primary	\$7.00
	Distribution Secondary	\$7.35	Distribution Secondary	\$8.37
	Energy Charge per kWh		Energy Charge per kWh	\$0.001500
Cost of Power (WFEC STC -22)	At cost	Cost of Power (WFEC STC -22)	At cost	
<b>Rate No. 40</b> Special Services and Charges	<b><u>Service/Charge</u></b>		<b><u>Proposed Charge</u></b>	
	Trip Charges		Trip Charges	
	Temporary Connect/Disconnect Trip Charge (After Business Hours)	\$167.00	Temporary Connect/Disconnect Trip Charge (After Business Hours)	\$167.00
	Consumer Initiated Field Investigation (No charge if problem is on Utility's line)	\$107.00/hour	Consumer Initiated Field Investigation (No charge if problem is on Utility's line)	120.00/hour
	Delinquent Collection Processing Fee	8% /annum	Delinquent Collection Processing Fee	8% /annum
	Reconnection Fee (During Business Hours) (For Non-pay disconnect)	\$50.00	Reconnection Fee (During Business Hours) (For Non-pay disconnect)	\$50.00
	Return of Consumer Check – Insufficient Check Charges	\$25.00	Return of Consumer Check – Insufficient Check Charges	\$25.00
	Initial establishment of temporary service to non- permanent structures (mobile homes, contractors, portable tools, etc.)	Actual Cost	Initial establishment of temporary service to non- permanent structures (mobile homes, contractors, portable tools, etc.)	Actual Cost
	Fraud or illegal diversion of electricity	\$200.00	Fraud or illegal diversion of electricity	\$200.00
	Reconnection of service where same has been disconnected (Plus estimated value of electricity used)		Reconnection of service where same has been disconnected (Plus estimated value of electricity used)	
	Testing of meter when requested by consumer, the Utility may make the following charges:			
	If meter has not been tested during the previous 28 mos	None	If meter has not been tested during the previous 28 mos	
	Single Phase Meter	\$26.00	Single Phase Meter	\$26.00
Three Phase Meter	\$65.00	Three Phase Meter	\$65.00	
Line extension rates to apply: (Line Extension Policy)		Line extension rates to apply: (Line Extension Policy)		
Rule 10 c.1 - Residential	\$1,087.00	Rule 10 c.1 - Residential	\$1,087.00	
Rule 10 c.2 - Irrigation and Oilfields	\$50.00	Rule 10 c.2 - Irrigation and Oilfields	\$50.00	
Rule 10 c.3 - Excess cost	\$30,000.00	Rule 10 c.3 - Excess cost	\$30,000.00	

Other Special Services: All service connections or disconnections requested and made after regular working hours and on Sunday and holiday, which have not previously been arranged for, may be made at the option of the Utility.



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**The Impact on Residential Customers**

- 4. The impacts of the rate change on residential customer’s bills at different usage levels are:**  
**Impact On Residential Members**

Single Phase		Current	Proposed	Percent
<u>kWh</u>	<u>kW</u>	<u>Rate</u>	<u>Rate</u>	<u>Change</u>
0	0	\$23.50	\$23.50	0.00%
50	7.1	\$27.11	\$30.80	13.61%
250	7.1	\$41.55	\$45.78	10.18%
500	7.1	\$59.60	\$64.51	8.24%
750	7.1	\$77.65	\$83.23	7.19%
1,000	7.1	\$95.70	\$101.96	6.54%
2,000	7.1	\$167.91	\$176.87	5.34%

Three Phase		Current	Proposed	Percent
<u>kWh</u>	<u>kW</u>	<u>Rate</u>	<u>Rate</u>	<u>Change</u>
0	0	\$38.50	\$38.50	0%
50	10.1	\$42.11	\$47.30	12.32%
250	10.1	\$56.55	\$62.28	10.13%
500	10.1	\$74.60	\$81.01	8.59%
750	10.1	\$92.65	\$99.73	7.64%
1,000	10.1	\$110.70	\$118.46	7.01%
2,000	10.1	\$182.91	\$193.37	5.72%

5. **Date Of Filing:** LCEC intends to file the proposed rates with the NMPRC on or around November 1, 2023.
6. **Member Notification:** Upon the request of a member, LCEC will promptly notify said member of the actual filing date of the rate and rule schedules.
7. **Automatic Effect of Rates:** The Schedules will go into effect automatically and without hearing, unless one percent or twenty-five (25) members of any rate class, whichever is less, file a protest with the NMPRC showing just cause for a review of the schedule. The NMPRC will determine if the protest has given just cause for review of the schedule. Such protest must be filed within twenty (20) days of LCEC filing of said schedules with the NMPRC. The NMPRC 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 (LCEC) MAY BE INCLUDED IN THE UTILITY’S FUTURE RATES, FOLLOWING THE UTILITY’S NEXT RATE CASE.
8. **Procedure for Filing a Protest: New Mexico:** The procedures for protesting a proposed rate are set forth in the NMPRC Rule 17.9.540 NMAC, a copy of which can be obtained upon request from or inspected at LCEC’s main office located at 1300 West Avenue D, Lovington, NM, 88260; telephone number 575-396-3631 or 1-800-510-5232. A copy can also be obtained at the offices of the NMPRC located at 142 W Palace Ave #30, Santa Fe, NM 87501; telephone number toll-free at 1-888-427-5772.  
**Texas:** As set forth by the PUC Regulatory Act, Section 41.061, a member of LCEC who is adversely affected by a rate setting resolution of LCEC is entitled to judicial review. The member initiates judicial review by filing a petition in the district court in Travis County no later than the 90th day after the resolution is implemented.
9. **Resolution of Protest:** Before a member files a protest with the NMPRC, they should attempt to resolve any grievance with LCEC by presenting the objections to LCEC in writing and allowing LCEC at least seven (7) days to attempt to resolve or otherwise respond.
10. **Examination of Filings:** Any interested party can examine the rate and rule filings together with any exhibits and related papers filed with the NMPRC at LCEC’s office in Lovington or at NMPRC’s office in Santa Fe located at 142 W Palace Ave #30, Santa Fe, NM 87501; telephone number toll-free at 1-888-427-5772.
11. **Further Information:** Further information about this filing can be obtained by contacting LCEC at its main office in Lovington, New Mexico or at the NMPRC office in Santa Fe located at 142 W Palace Ave #30, Santa Fe, NM 87501; telephone number toll-free at 1-888- 427-5772.