

***NMPRC Utility Division  
Advice Notice Memo***

Date: March 27<sup>th</sup>, 2024

To: Ed Rilkoff - Utility Division Director

Copy:

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Duncan Valley Electric Cooperative, Inc., CEO- Kassi Mortensen

From: Kai Filion - Utility Division Economist (Accounting)

Subject: Staff's Recommendation – Duncan Valley Electric Cooperative, Inc. Advice Notice 16 – NOT be suspended

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On March 4, 2024, Duncan Valley Electric Cooperative, Inc. (“DVEC”) filed their Advice Notice No. 16 (“AN 16”). AN 16 contains updates to 6 rates. In New Mexico, these changes will affect about 341 customers and increase revenue by about \$29,000 a year, or 6%. These rates will take effect on April 3, 2024.

Rate No.	Title	Canceling Rate
1	7th Revised Rate No. 1	6th Revised Rate No. 1
	Single Phase Service "SP"	
2	7th Revised Rate No. 2	6th Revised Rate No. 2
	Single Phase Demand Service "SPD"	
3	7th Revised Rate No. 3	6th Revised Rate No. 3
	Three Phase Demand Service "TPD"	
5	7th Revised Rate No. 5	6th Revised Rate No. 5
	Private Area Lighting Service "LS"	
17	6th Revised Rate No. 17	5th Revised Rate No. 17
	Public Street & Highway Lighting "PSHL"	
18	5th Revised Rate No. 18	4th Revised Rate No. 18
	Three Phase Service "TP"	

### Explanation

DVEC states that these increases are necessary to recover operating costs.

### Review

The AN includes a document that certifies DVEC mailed notices of this change to customers. This document has an error regarding the number of notices and the date they were sent. DVEC mailed 298 notices on January 30, 2024, as confirmed by DVEC via email. The notice included all requirements set forth in NMAC 17.9.540.13, titled “*Notice to Customers Prior to Filing of Proposed Rates*”.

AN 16 complies with all criteria set forth in NMAC 17.9.540.9, titled “*Filings by Coops Proposing a New Rate or Rates*”, as DVEC has included their most recent REA Form 7 (Rural Utilities Service Financial and Operating Report), Proof of Revenue Statement, and an explanation for the need of the new rates.

These new rates will go into effect on April 3, 2024. The rate tariff document states they will go into effect “on or after March 31, 2024”, but DVEC staff has confirmed that they will wait until April 3, 2024, which is the minimum 30 days after the filing date.

DVEC previously filed for a rate increase on 1/18/2021, approximately 3 years prior to this filing. The rates proposed here in AN 16 are already in effect in Arizona, where about 85% of DVEC customers are located. The Cooperative Finance Corporation Form 7 from 2022 included with this application shows an operating margin shortfall of \$14,000 in 2021 and a shortfall of

\$154,000 in 2022 (these shortfalls include the full DVEC service territory, including Arizona and New Mexico).

**Protests**

The protest period was open from the filing date (March 4, 2024) for 20 days (through March 24, 2024), as required by NMAC 17.9.540.10. As of March 25, 2024, NMPRC had not received any protests regarding the proposed rates.

## Changes

The table below summarizes the changes to the six rates.

	Present Rates	Proposed Rates
<u>Single Phase "SP" Rate No. 1</u>		
System Charge	\$28.00	\$32.00
kWh Charge	\$0.08	\$0.08
<u>Single Phase Demand "SPD" Rate No. 2</u>		
System Charge	\$40.00	\$44.00
kWh Charge	\$0.08	\$0.08
KW Charge >15 KW	\$10.00	\$10.00
<u>Three Phase "TP" Rate No. 18</u>		
System Charge	\$52.00	\$56.00
kWh Charge	\$0.07	\$0.08
<u>Three Phase Demand "TPD" Rate No. 3</u>		
System Charge	\$56.00	\$60.00
kWh Charge	\$0.08	\$0.08
KW Charge >15 KW	\$10.00	\$10.00
<u>Private Area Lighting Service "LS" Rate No. 5</u>		
No Pole	\$9.45	\$10.25
With Pole	\$10.85	\$11.80
<u>Public Street and Highway Lighting "PSHL" Rate No. 17</u>		
400 Watt	\$16.20	\$17.60
175 Watt	\$10.10	\$10.95
100 Watt	\$7.10	\$7.70

## Staff's Recommendations

Staff has reviewed DVEC's AN 16 as well as the relevant Commission Rule 17.9.540 NMAC. DVEC's proposed changes contained within AN 16 are in accordance with all relevant rules and regulations. There is a minor mistake in the filing regarding the date and number of notices that were sent to customers, but DVEC provided the correct information to Staff. I therefore recommend that DVEC's Advice Notice No. 16 NOT be suspended and be allowed to go into effect.

**ADVICE NOTICE MEMO  
RECORDS PROCESSING WORKSHEET**

**Name of Company:** Duncan Valley Electric Cooperative, Inc

**Advice Notice No:** 16

**Filing Date of A/N:** March 4, 2024

**Team Coordinator or  
Acting Team Coordinator:** Kai Filion

**Date:** 3/27/2024

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**Select only ONE applicable consideration.**

This filing should take effect for service in accordance with Section 62-8-7 (by operation of law) on \_\_.  
Effective date: \_\_\_\_\_

This filing is made in compliance with the Commission Final Order in Case No. \_\_\_\_\_  
Effective date: \_\_\_\_\_

This filing is in compliance with Rule No. 17.9.540  
Effective date: April 3, 2024  
[Normally used for Rules 540, 660, 770, and 970]

This filing should be cancelled/replaced by Rule 210.15.

This filing should be withdrawn by Rule 210.16.  
Effective date: \_\_\_\_\_

This filing should be dismissed pursuant to Case No. \_\_\_\_\_  
Effective date: \_\_\_\_\_

This filing should be Suspended before:  
Effective date: \_\_\_\_\_

Other: (please describe)

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Effective date: \_\_\_\_\_