

JEMEZ MOUNTAINS ELECTRIC COOPERATIVE, INC.
SEVENTH REVISED RATE RIDER NO. 3
CANCELLING SIXTH REVISED RATE RIDER NO. 3

NATIVE AMERICAN ACCESS COST RECOVERY - OHKAY OWINGEH PUEBLO

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EXPLANATION OF RIDER:

Pursuant to the terms of Rate No. 19 this Rate Rider is established to provide a mechanism for Jemez Mountains Electric Cooperative, Inc. ("Jemez" or "Cooperative") to recover Local Costs incurred by the Cooperative as a result of payments for Rights of Way to Ohkay Owingeh Pueblo. Unless otherwise stated, capitalized terms used in this Rate Rider have the meanings assigned to them by Rate No. 19. For purposes of this Rate Rider, however, the term "Native American Government" refers to Ohkay Owingeh Pueblo, "Native American Lands" refers specifically to Native American Lands of Ohkay Owingeh Pueblo, and "Local Customers" are customers receiving electric service from the Cooperative at locations within the outer boundaries of the Native American Lands, including service locations on the Native American Lands and service locations on private lands located within the outer boundaries of the Native American Lands.

APPLICABILITY:

This Schedule shall be applicable to all Local Customers receiving service under all rate schedules.

AGGREGATE AMOUNT OF ACCESS:

The estimated aggregate amount of the Access Costs to be paid by the Cooperative to the Native American Government is \$11,250,000 for access for a term of twenty-five (25) years plus Initial Interest Expenses, Preliminary Costs (except as otherwise ordered by the Commission) and a Balancing Account as described below. Exhibit A to this Rate Rider shows the aggregate amount of the Local Costs to be recovered and the amount of the Local Costs to be recovered annually under this Rate

AGGREGATE AMOUNT OF ACCESS: (continued)

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Rider, the calculation of the kWh charge to be effective initially under this Rate Rider and the anticipated future changes in the charge and the dates when such changes are expected to become effective. The Cooperative shall comply with the applicable requirements of 17.9.540 NMAC when filing revisions to this Rate Rider.

The Cooperative will file annually with the New Mexico Public Regulation Commission, a verified report of actual Local Costs for the year, kWh sales, revenue received and the Balancing Account along with a revision of this Rate Rider, if necessary, for the next coming year. Sales and revenues may be projected for no more than the last three months of the reporting period to allow for compliance with notice and protest periods under 17.9.540 NMAC, subject to the requirement that all projections be reconciled with actual sales and revenues in the following annual report.

MONTHLY SURCHARGE PER KWH:

The monthly surcharge per kWh per year is estimated based upon the 12 month period January 2020 through December 2020 actual kWh sales for the Local Customer Base. X

Accordingly, the monthly surcharge per kWh per year will change annually based on the kWh sales during the previous 12 month period.

The monthly surcharge per kWh for 2021 payments for right-of-way due from the Local Customers in the following 12 month period from the effective date of this Rate Rider and until changed in accordance with this Rate Rider is as follows: X

All Applicable kWh Sales @ \$.00872/kWh sold X

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MONTHLY SURCHARGE PER KWH: (continued)

In order to level the initial charge and ameliorate the impact of the lag between the payment of the initial Local Costs and the effective date of this Rate Rider, the Local Costs are averaged for the first 5 years for recovery during the initial 4-year period this Rate Rider is in effect.

DURATION:

This Rate Rider will be in effect for so long as the Cooperative is incurring Local Costs to the Native American Government and will be updated annually as provided herein.

BALANCING ACCOUNT:

The first year of revenue collection for the Local Costs does not include a Balancing Account. After revenues are received for the first year and subtracted from the actual Local Costs for the first year, a Balancing Account will be carried forward into the next year's Local Costs and the charge per kWh will be updated for the second and subsequent years.

At the end of the recovery period, the Balancing Account will be passed through to the Local Customers on a per kWh basis, either as a charge or a credit.

TOTAL TRUE UP CHARGE PER KWH SOLD = \$0.00040 PER/KWH

X

TOTAL SURCHARGE INCLUDING TRUE UP AMOUNT FOR RATE RIDER NO. 3 PER KWH SOLD = \$0.00912 PER/KWH

X

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