



Discussing the JMEC Rate Change



Your Touchstone Energy® Cooperative 

This institution is an equal opportunity provider and employer



What we want to accomplish today

- **Introduce those representing JMEC**
- **Give a Snapshot of JMEC's situation**
- **Host a Q&A session**

JMEC Rates Lowest with Proposed Change

Tri-State Generation & Transmission Electric Cooperatives

COOPERATIVE

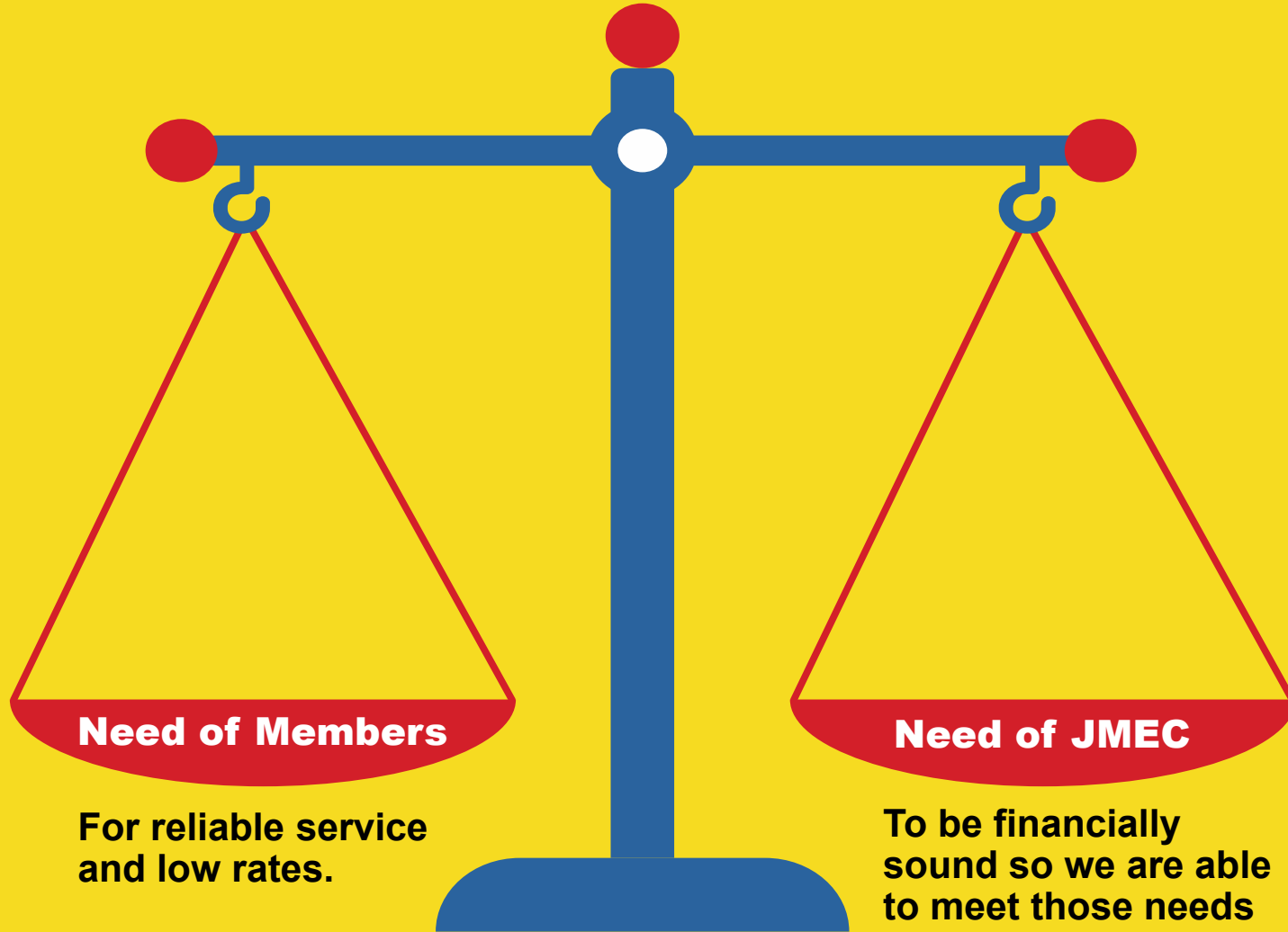
CURRENT RATES

(residential average of 770 kWh per month)

1. Southwestern	\$ 172.45
2. Sierra	\$ 143.52
3. NORA	\$ 127.16
4. Central New Mexico	\$ 122.66
5. Springer	\$ 120.95
6. Socorro	\$ 112.42
7. Columbus	\$ 111.88
8. Otero	\$ 111.23
9. Mora-San Miguel	\$ 107.51
10. Continental Divide	\$ 103.97
11. JMEC (new rate)	\$ 102.11
JMEC (current rate)	\$ 98.81



Maintenance and Training Among Deficiencies Noted



Need of Members
For reliable service
and low rates.

Need of JMEC
To be financially
sound so we are able
to meet those needs
at the lowest long-
run costs.

JMEC's Rates Do Not Cover Costs

Balance

What the Cost of Service Study Told Us

9% Increase / + \$3.30 Per Month

RESIDENTIAL

KWH	PRESENT RATE	PROPOSED RATE	\$ INCREASE	% INCREASE
0	\$ 14.00	\$ 27.00	\$ 13.00	92.86%
250	\$ 41.31	\$ 51.98	\$ 10.67	25.83%
500	\$ 68.61	\$ 76.96	\$ 8.35	12.17%
750	\$ 96.42	\$ 102.44	\$ 6.02	6.24%
770 (avg. res.)	\$ 98.81	\$ 102.11	\$ 3.30	3.34%
1000	\$ 126.23	\$ 129.91	\$ 3.68	2.92%
2000	\$ 255.46	\$ 239.83	(\$15.63)	-6.12%

Tri-State Generation & Transmission Electric Cooperatives

<u>COOPERATIVE</u>	<u>CURRENT FACILITY CHARGE</u>
1. Springer	\$ 32.40
2. Southwestern	\$ 30.00
3. Otero	\$ 30.00
4. Continental Divide	\$ 29.00
5. NORA	\$ 27.00
6. JMEC (new rate)	\$ 27.00
7. Sierra	\$ 25.00
8. Mora-San Miguel	\$ 25.00
9. Central New Mexico	\$ 21.75
10. Columbus	\$ 20.00
11. Socorro	\$ 15.00
JMEC (current rate)	\$ 14.00

Why the Strategic Focus on the Facility Charge

The industry trend for rate and operational stability

Why Now?

LOWEST RATES CONTINUE

JMEC has long had and will continue to have the lowest rates among its 11 cooperative peers.

DEFICIENCIES REQUIRE REMEDY

- Overdue maintenance
- Deferred upgrades
- Aged-out substations
- Inventory shortages
- Unreliable vehicles
- Inadequate training

CURRENT RATES DO NOT COVER COSTS

- 9 years since the last rate change
- U.S. prices up 14%
- Largest electric cooperative in New Mexico – 4,000 miles of line
- Regulators require better financial performance

+ \$3.30 PER MONTH

For most residential users. Every member pays their fair share v. some members subsidizing others.

GRID AVAILABLE TO ALL

Recurring monthly fixed expenses must be covered no matter how much energy is used.

ISSUE IS CRITICAL NOW

- Reliable system
- Worker safety
- Regulatory compliance

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