



Electric Cooperative, Inc.

P.O. Box 128, Espanola, New Mexico, 87532

Phone:
Espanola 505-753-2105
Cuba 575-269-3241
Jemez Springs 575-829-3550

Your Touchstone Energy® Cooperative 
The power of human connections®

Subject: Adjustments to Retail Electric Rates Policy

Policy No.: 156

Original Issue: 02/28/2025

Last Revised: 02/28/2025

Last Reviewed: 02/28/2025

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I. PURPOSE

To set forth policy relating to the setting of retail electric rates for the Cooperative.

II. POLICY

The Board of Directors desires to offer reliable electric service to members at the lowest possible cost while maintaining strong financial stewardship. This entails striking a balance between keeping electric rates reasonable while ensuring the financial health and well-being of the Cooperative and complying with financial commitments to its business partners.

III. EXPECTATION


As part of its annual budget and financial planning process, the Cooperative will maintain an up-to-date tenyear financial forecast to address financial performance/compliance and incorporates required system improvements.

When long-range financial planning indicates the need for management and the Board of Directors to consider an adjustment in electric rates, the Cooperative shall use the following procedure to determine the appropriate timing, rate structure, tariff and schedule for implementation:

- a) Upon identifying the future need for rate adjustments to support financial objectives of the Cooperative, the CEO/General Manager will recommend initiation of a rate study to the Board of directors/trustees.
- b) The Cooperative, with input from industry and financial consultants, shall complete a detailed revenue requirements study to identify the projected incremental revenue necessary to achieve financial objectives. A cost-of-service study (COSS) will also be completed to identify appropriate membership rate classes and design a fair and reasonable allocation of costs and revenue across those rate classes, with consideration to the redesign of rate structures as may be deemed appropriate.
- c) The Board will review the recommendations from the cost-of-service-study and recommend rate adjustments to be filed with the New Mexico Public Regulatory Commission (NMPRC). Upon successful completion of the NMPRC review and approval process, details of the rate adjustments and effective date of any rate adjustments will be appropriately communicated to the membership.
- d) An updated cost-of-service-study will be performed no less than once every three years to ensure adequate system cost recovery and ensure the Cooperative is maintaining rate of return fairness across different classes of service.



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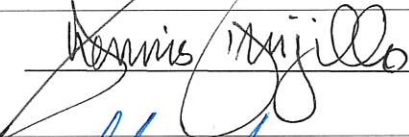

IV. IMPLEMENTATION AND COMPLIANCE

Implementation Responsibility: The CEO/General Manager will be held accountable for the implementation of rate schedules approved by the Board of Directors.

Compliance Responsibility: The Board of Directors will review this policy to ensure it remains relevant to the Cooperative's financial condition.

The initial policy was established by the Board of Directors at its **meeting on February 14, 2025.**

APPROVED:  4/25/25

	President of the Board	Date 4/25/2025
	Chair of the Policy Committee	Date 4/25/2025