

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF KIT CARSON COOPERATIVE)
INC.'S APPLICATION FOR CONTINUATION OF ITS)
FUEL AND PURCHASED POWER COST ADJUSTMENT) **Docket No. 25-00032-UT**

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS FUEL
AND PURCHASED POWER COST ADJUSTMENT CLAUSE**

Kit Carson Electric Cooperative, Inc. (“Kit Carson” or “KCEC”), by and through its attorneys, Cuddy & McCarthy, LLP, and pursuant to 17.9.550 NMAC (“Rule 550”), requests approval from the New Mexico Public Regulation Commission (“Commission” or “NMPRC”) for continuation of its fuel and purchased power cost adjustment clause (“FPPCAC”) as part of its approved tariff for electric service to its customers. In support of its Application, Kit Carson states:

1. Kit Carson is certificated and authorized to conduct the business of providing public electric utility service within the State of New Mexico, and is a public utility as defined in the Public Utility Act, NMSA 1978 § 62-3-1 *et seq.*, as amended. KCEC’s primary business office is located at 118 Cruz Alta Road, Taos, New Mexico, 87571.

2. Kit Carson provides electric service to approximately 30,720 customers in Taos, Colfax, and Rio Arriba Counties in the State of New Mexico, and operates approximately 3,011 miles of electric distribution lines and associated facilities and equipment.

3. Kit Carson does not own any base load electric generation facilities, and owns or purchases solar generated energy and energy from battery energy storage systems (“BESS”) in its efforts to meet the State of New Mexico’s statutory renewable energy portfolio standards. With the exception of this solar and BESS renewable energy, all of Kit Carson’s power is currently purchased under long-term purchase power agreements (“PPA”) with Guzman Energy, LLC. (“GE”). GE is an energy marketing and supply company whose principal business is the supply of wholesale electric power and energy to its customers. Kit Carson began purchasing its energy

supply from GE upon its exit from membership as a distribution electric cooperative of TSGT Generation and Transmission Association, Inc. (“TSGT”), effective July 1, 2016.

4. Kit Carson’s current FPPCAC was most recently approved by the Commission’s Final Order Closing Docket and Deeming Approval of Continuation of KCEC’s Fuel and Purchased Power Cost Adjustment Clause in Case No. 20-00089-UT¹ (“Final Order”). Pursuant to the NMPRC’s Final Order, Kit Carson’s FPPCAC continuation application was approved, the Commission finding “that KCEC’s continuation filing should be deemed approved given it has been more than (30) [*sic*] days after filing; without having been suspended by the Commission; no interventions or protests were filed; no objections were filed by Staff; and KCEC submitted the information required by Rule 550 for continuation of FPPCAC applications.”²

5. Pursuant to NMPRC Rule 550.17(C), Kit Carson filed a Petition for Variance from One Element 17.9.550 NMAC (“Petition”) requesting the Commission grant an additional sixty (60) days variance on the date on which KCEC would file its FPPCAC continuation application and authorize Kit Carson to maintain its current FPPCAC in effect pending the outcome of the NMPRC’s ruling on its FPPCAC continuation application once submitted by KCEC.³ The Commission issued its Order Approving Extension of Time, Authorizing the Continuance of Current FPPCAC, and Amending Case Caption (“Order”)⁴ in which it found that Kit Carson had demonstrated good cause to extend the FPPCAC deadline set forth in Rule 550; that KCEC’s request for its current FPPCAC to remain in place was reasonable; and concluded that Kit Carson’s extension request be approved and KCEC should file its FPPCAC continuation application no later than sixty (60) days after the original filing deadline; and that KCEC’s current FPPCAC would remain in effect until the Commission make a substantive decision on KCEC’s FPPCAC

¹ The Final Order in NMPRC in Case No. 20-00089-UT was issued on April 28, 2021.

² Final Order at ¶22.

³ KCEC’s Petition was filed on April 11, 2025.

⁴ The Commission’s Order was issued on April 23, 2025.

continuation filing.¹ Pursuant to the NMPRC's Order and the requirements of NMPRC Rule 550.17, Kit Carson hereby submits this Application for continuation of its FPPCAC.

6. Consistent with NMPRC Rule 550.6, the purpose of Kit Carson's FPPCAC is to allow the cooperative to "flow through to [KCEC's] users of electricity the increases or decreases in applicable fuel and purchased power per kilowatt hour of delivered energy above or below a base fuel and purchased power expense;" and to "assure that [Kit Carson] collects through the FPPCAC the amount actually expended for fuel and purchased power costs." The amount of this flow-through is calculated based on the per kilowatt-hour ("kWh") total cost of delivered energy above or below Kit Carson's base cost. Kit Carson's current base cost of purchased power is \$0.081517/kWh.

7. The delivered cost of Kit Carson's purchased power is a significant percentage of its cost of service. KCEC's delivered purchased power costs have ranged from 57.5% - 62.1% of its total electric operations cost from 2021 through 2024, inclusive.

8. As noted above, Kit Carson ceased being a distribution cooperative member of TSGT and began purchasing its wholesale power supply from GE beginning July 1, 2016. As a result, the delivered purchased power cost to Kit Carson now reflects the energy supply cost based upon market conditions, and the transmission cost to deliver its wholesale power supply to KCEC's distribution system. The historic rate Kit Carson paid to TSGT was a blended rate, which included elements of capital investment, margins over cost of service, administrative costs, and a demand component, in addition to the cost of energy supply and transmission service, and changes in KCEC's load factor. Due to these and other factors, the cost of the supply and delivery of Kit Carson's purchased power has consistently fluctuated over time. Therefore, future costs cannot be precisely determined with the accuracy required for setting base rates in a rate case.

9. Kit Carson's purchased power policies and practices, implemented through its PPA with GE, are designed to assure, to the greatest extent possible, that electric power is purchased at

¹ See Order at paragraphs 14-17.

the lowest reasonable cost available in the wholesale power market. With this Application, Kit Carson proposes to continue the base cost of the FPPCAC.

10. Kit Carson is submitting with this application the relevant financial and other information and data required by Rule 550, to demonstrate that none of the amounts recovered through use of Kit Carson's FPPCAC are included in KCEC's base rates for electric service and to enable the Commission to exercise adequate regulatory oversight over Kit Carson's FPPCAC electric utility rates under its.

11. Kit Carson's FPPCAC enables it to maintain stable earnings when purchased power costs are rising and to issue credits promptly to customers when purchased power costs are declining.

12. Kit Carson's operations assure that it collects through its FPPCAC only the amounts actually expended for purchased power costs.

13. Pursuant to NMPRC Rule 550.17, Kit Carson has attached as Exhibit A to this Application a summary of the Annual Reconciliation Reports for calendar years 2022 through April 2025. These reports contain revenue and expense amounts that reflect an analysis of costs and revenues included in or affected by the operation of Kit Carson's FPPCAC. Kit Carson also files herewith as Exhibit B, the testimony of its Chief Executive Officer, Mr. Luis A. Reyes, Jr., as Exhibit C the testimony of its Chief Financial Officer, Mr. Cletus Stoflet, and as Exhibit D the testimony of its rate expert, Mr. Edwin Reyes, principal of Enchantment Energy Consulting, LLC, in support of this Application.

14. Continuation of Kit Carson's FPPCAC will enable KCEC to continue to apply the FPPCAC to pass through decreases or increases from Kit Carson's base purchased power cost.

15. Kit Carson has utilized an automatic adjustment clause to ameliorate changes in its cost of fuel and purchased power since 1972. Kit Carson's continued use of the FPPCAC has enabled it to accomplish the objectives of Rule 550.6 by providing stability of utility earnings

when fuel and purchased costs are rising and to permit prompt credits to Kit Carson's customers when those costs are declining.

WHEREFORE, Kit Carson requests that the Commission approve Kit Carson's continued use of the FPPCAC in its current tariffs, and reset the base cost of the FPPCAC as described in the testimonies and attachments of Messrs. L. Reyes, C. Stoflet and E. Reyes, and for such further relief as the Commission may deem appropriate.

Respectfully submitted,

CUDDY & McCARTHY, LLP

By: /s/ Charles V. García

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ATTORNEYS FOR KIT CARSON ELECTRIC
COOPERATIVE, INC.

EXHIBIT A

**Annual Reconciliation Reports
for Calendar Years 2022 through 2025**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**

**Kit Carson Electric
Power Cost Adj Factor
Annual Reconciliation Report
January 2022 - December 2022**

	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>	<u>Total</u>
Total Purch Power Expense	3,357,874.00	3,279,662.35	2,898,160.82	2,442,699.23	2,022,435.94	1,723,483.73	1,390,141.89	1,442,609.35	1,235,947.73	1,478,026.46	2,029,412.94	2,411,180.02	25,711,634.46
Balance of Power Cost to Collect Balancing Acct (Prev Month)	3,357,874.00 (386,057.13)	3,279,662.35 (21,706.61)	2,898,160.82 (267,757.10)	2,442,699.23 (86,852.28)	2,022,435.94 (175,775.61)	1,723,483.73 (180,833.12)	1,390,141.89 (248,885.23)	1,442,609.35 (357,120.15)	1,235,947.73 (375,809.17)	1,478,026.46 (141,918.76)	2,029,412.94 619,936.44	2,411,180.02 374,979.95	25,711,634.46
Total Power Costs to Collect	2,971,816.87	3,257,955.74	2,630,403.72	2,355,846.95	1,846,660.33	1,542,650.61	1,141,256.66	1,085,489.20	860,138.56	1,336,107.70	2,649,349.38	2,786,159.97	24,463,835.69
Total Kwh Sales	30,188,100	28,462,544	29,399,593	25,748,855	23,166,866	19,313,310	18,381,114	19,435,840	20,012,488	20,772,793	29,913,899	35,543,537	300,338,939
Purch Power exp in rate base (.081517 x Total kWh sales)	2,460,843.35	2,320,181.20	2,396,566.62	2,098,969.41	1,888,493.42	1,574,363.09	1,498,373.27	1,584,351.37	1,631,357.98	1,693,335.77	2,438,491.30	2,897,402.51	24,482,729.29
Increase (Decrease) in FPPC	510,973.52	937,774.54	233,837.10	256,877.54	(41,833.09)	(31,712.48)	(357,116.61)	(498,862.17)	(771,219.42)	(357,228.07)	210,858.08	(111,242.54)	(18,893.60)
Power Cost adj factor	0.01693	0.03295	0.00795	0.00998	(0.00181)	(0.00164)	(0.01943)	(0.02567)	(0.03854)	(0.01720)	0.00705	(0.00313)	(0.000063)
Power Cost adj factor used	0.02133	0.01693	0.03295	0.00795	0.00998	(0.00181)	(0.00164)	(0.01943)	(0.02567)	(0.03854)	(0.01720)	0.00705	0.001553
Balancing Account													
Amt to Collect (Refund) prev Mo.	(386,057.13)	(69,323.69)	(21,706.61)	(267,757.10)	(86,852.28)	(175,775.61)	(180,833.12)	(248,885.23)	(357,120.15)	(375,809.17)	(141,918.76)	619,936.44	
Power Costs (Current Month)	3,357,874.00	3,279,662.35	2,898,160.82	2,442,699.23	2,022,435.94	1,723,483.73	1,390,141.89	1,442,609.35	1,235,947.73	1,478,026.46	2,029,412.94	2,411,180.02	
Total Power Costs	2,971,816.87	3,210,338.66	2,876,454.21	2,174,942.13	1,935,583.66	1,547,708.12	1,209,308.77	1,193,724.12	878,827.58	1,102,217.29	1,887,494.18	3,031,116.46	
Base Rate Recovery	2,460,843.35	2,320,181.20	2,396,566.62	2,098,969.41	1,888,493.42	1,574,363.09	1,498,373.27	1,584,351.37	1,631,357.98	1,693,335.77	2,438,491.30	2,897,402.51	
PCA Collected (Refunded)	580,297.21	911,864.07	747,644.69	162,825.00	222,865.85	154,178.15	(41,719.73)	(33,507.10)	(376,721.23)	(449,199.72)	(1,170,933.56)	(241,266.00)	466,327.63
Carry-forward error (See Note 1 below)							(1,540.46)						
Balancing Acct	(69,323.69)	(21,706.61)	(267,757.10)	(86,852.28)	(175,775.61)	(180,833.12)	(248,885.23)	(357,120.15)	(375,809.17)	(141,918.76)	619,936.44	374,979.95	

Note 1 - The prior month balancing account amount was incorrectly carried forward from the June 2022 to July 2022 report, the \$1,540.46 difference will be corrected on the February 2023 PCA report.

Kit Carson Electric
Power Cost Adj Factor
Annual Reconciliation Report
January 2023 - December 2023

	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Apr-23</u>	<u>May-23</u>	<u>Jun-23</u>	<u>Jul-23</u>	<u>Aug-23</u>	<u>Sep-23</u>	<u>Oct-23</u>	<u>Nov-23</u>	<u>Dec-23</u>	<u>Total</u>
Total Purch Power Expense	2,509,350.28	2,289,514.08	2,337,010.21	1,815,956.25	1,692,242.07	1,570,955.58	1,646,600.77	1,757,860.14	1,675,767.36	1,832,855.04	1,955,436.12	2,727,749.00	23,811,296.90
Balance of Power Cost to Collect Balancing Acct (Prev Month)	2,509,350.28 374,979.95	2,289,514.08 219,246.81	2,337,010.21 142,960.60	1,815,956.25 (130,811.74)	1,692,242.07 (216,254.25)	1,570,955.58 (131,436.27)	1,646,600.77 224,070.71	1,757,860.14 432,220.46	1,675,767.36 125,123.39	1,832,855.04 26,181.63	1,955,436.12 301,624.39	2,727,749.00 6,526.77	23,811,296.90
Total Power Costs to Collect	2,884,330.23	2,508,760.89	2,479,970.81	1,685,144.51	1,475,987.82	1,439,519.31	1,870,671.48	2,190,080.60	1,800,890.75	1,859,036.67	2,257,060.51	2,734,275.77	25,185,729.34
Total Kwh Sales	35,322,682	31,001,146	31,086,636	25,818,793	22,290,373	19,755,862	19,404,870	21,182,826	20,977,367	18,777,474	18,582,577	32,030,961	296,231,567
Purch Power exp in rate base (.081517 x Total kWh sales)	2,879,399.07	2,527,120.42	2,534,089.31	2,104,670.55	1,817,044.34	1,610,438.60	1,581,826.79	1,726,760.43	1,710,012.03	1,530,683.35	1,514,795.93	2,611,067.85	24,147,908.67
Increase (Decrease) in FPPC	<u>(225,478)</u>	(18,359.53)	(54,118.50)	(419,526.04)	(341,056.52)	(170,919.29)	288,844.69	463,320.17	90,878.72	328,353.32	742,264.58	123,207.92	807,411.51
Power Cost adj factor	(0.00638)	(0.00059)	(0.00174)	(0.01625)	(0.01530)	(0.00865)	0.01489	0.02187	0.00433	0.01749	0.03994	0.00385	0.002726
Power Cost adj factor used	(0.00313)	(0.00638)	(0.00059)	(0.00174)	(0.01625)	(0.01530)	(0.00865)	0.01489	0.02187	0.00433	0.01749	0.03994	0.000220
Balancing Account													
Amt to Collect (Refund) prev Mo.	374,979.95	231,375.15	219,246.81	142,960.60	(130,811.74)	(216,254.25)	(131,436.27)	224,070.71	432,220.46	125,123.39	26,181.63	301,624.39	
Power Costs (Current Month)	2,509,350.28	2,289,514.08	2,337,010.21	1,815,956.25	1,692,242.07	1,570,955.58	1,646,600.77	1,757,860.14	1,675,767.36	1,832,855.04	1,955,436.12	2,727,749.00	
Total Power Costs	2,884,330.23	2,520,889.23	2,556,257.02	1,958,916.85	1,561,430.33	1,354,701.33	1,515,164.50	1,981,930.85	2,107,987.82	1,957,978.43	1,981,617.75	3,029,373.39	
Base Rate Recovery	2,879,399.07	2,527,120.42	2,534,089.31	2,104,670.55	1,817,044.34	1,610,438.60	1,581,826.79	1,726,760.43	1,710,012.03	1,530,683.35	1,514,795.93	2,611,067.85	
PCA Collected (Refunded)	(225,478.00)	(225,478.00)	(120,792.89)	(14,941.96)	(39,359.76)	(124,301.00)	(290,733.00)	(177,050.04)	305,275.88	401,113.45	165,197.43	411,778.77	65,230.88
Carry-forward error (See Note 1 below)	965.99								32,423.48				33,389.47
Balancing Acct	<u>231,375.15</u>	<u>219,246.81</u>	<u>142,960.60</u>	<u>(130,811.74)</u>	<u>(216,254.25)</u>	<u>(131,436.27)</u>	<u>224,070.71</u>	<u>432,220.46</u>	<u>125,123.39</u>	<u>26,181.63</u>	<u>301,624.39</u>	<u>6,526.77</u>	

Note 1 - The prior month balancing account amount was incorrectly carried forward from the Dec 2022 to Jan 2023 and Aug 2023 to Sep 2023 reports, the \$33,389.47 difference will be corrected on the February 2024 PCA report.

Kit Carson Electric
Power Cost Adj Factor
Annual Reconciliation Report
January 2024 - December 2024

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Total
Total Purch Power Expense	\$ 2,810,067.27	\$ 2,671,504.81	\$ 2,295,757.28	\$ 1,944,816.71	\$ 1,899,259.43	\$ 1,754,973.31	\$ 1,897,263.72	\$ 2,212,159.09	\$ 1,956,494.85	\$ 2,238,502.64	\$ 2,840,461.44	\$ 3,220,110.29	\$ 27,741,370.84
Balance of Power Cost to Collect Balancing Acct (Prev Month)	2,810,067.27 (250,820.19)	2,671,504.81 (858,076.34)	2,295,757.28 91,069.53	1,944,816.71 536,638.55	1,899,259.43 530,136.23	1,754,973.31 335,477.14	1,897,263.72 226,109.23	2,212,159.09 87,307.20	1,956,494.85 41,523.74	2,238,502.64 27,666.24	2,840,461.44 52,768.13	3,220,110.29 30,809.66	27,741,370.84
Total Power Costs to Collect	2,559,247.08	1,813,428.47	2,386,826.81	2,481,455.26	2,429,395.66	2,090,450.45	2,123,372.95	2,299,466.29	1,998,018.59	2,266,168.87	2,893,229.57	3,250,919.95	28,591,979.94
Total Kwh Sales	31,982,326	32,061,361	28,348,280	26,325,916	22,640,595	20,754,202	18,811,511	20,956,322	18,250,841	20,776,145	26,159,587	29,424,541	296,491,627
Purch Power exp in rate base (.081517 x Total kWh sales)	2,607,103.27	2,613,545.96	2,310,866.74	2,146,009.69	1,845,593.38	1,691,820.28	1,533,457.94	1,708,296.50	1,487,753.81	1,693,609.01	2,132,451.05	2,398,600.31	24,169,107.94
Increase (Decrease) in FPPC	(225,478.00)	(800,117.49)	75,960.07	335,445.57	583,802.28	398,630.17	589,915.01	591,169.79	510,264.78	572,559.86	760,778.52	852,319.64	4,245,250.19
Power Cost adj factor	(0.00705)	(0.02496)	0.00268	0.01274	0.02579	0.01921	0.03136	0.02821	0.02796	0.02756	0.02908	0.02897	0.014318
Power Cost adj factor used	(0.01222)	(0.00705)	(0.02496)	0.00268	0.01274	0.02579	0.01921	0.03136	0.02821	0.02796	0.02756	0.02908	0.011191
Balancing Account													
Amt to Collect (Refund) prev Mo.	(250,820.19)	(1,308,816.16)	(858,076.34)	91,069.53	536,638.55	530,136.23	335,477.14	226,109.23	87,307.20	41,523.74	27,666.24	52,768.13	
Power Costs (Current Month)	2,810,067.27	2,671,504.81	2,295,757.28	1,944,816.71	1,899,259.43	1,754,973.31	1,897,263.72	2,212,159.09	1,956,494.85	2,238,502.64	2,840,461.44	3,220,110.29	
Total Power Costs	2,559,247.08	1,362,688.65	1,437,680.94	2,035,886.24	2,435,897.98	2,285,109.54	2,232,740.86	2,438,268.32	2,043,802.05	2,280,026.38	2,868,127.68	3,272,878.42	
Base Rate Recovery	2,607,103.27	2,613,545.96	2,310,866.74	2,146,009.69	1,845,593.38	1,691,820.28	1,533,457.94	1,708,296.50	1,487,753.81	1,693,609.01	2,132,451.05	2,398,600.31	
PCA Collected (Refunded)	1,260,959.97	(392,780.97)	(964,255.33)	(646,762.00)	60,168.37	257,812.12	473,173.69	642,664.62	514,524.50	558,751.13	710,312.04	843,468.45	3,318,036.59
Carry-forward error (See Note 1 below)											27,403.54		27,403.54
Balancing Acct	\$ (1,308,816.16)	\$ (858,076.34)	\$ 91,069.53	\$ 536,638.55	\$ 530,136.23	\$ 335,477.14	\$ 226,109.23	\$ 87,307.20	\$ 41,523.74	\$ 27,666.24	\$ 52,768.13	\$ 30,809.66	

Note 1 - The prior month balancing account amount was incorrectly carried forward from the Oct 2024 to Nov 2024, the \$27,403.54 difference will be corrected on the February 2025 PCA report.

**Kit Carson Electric
Power Cost Adj Factor
Annual Reconciliation Report
January 2025 - December 2025**

	<u>Jan-25</u>	<u>Feb-25</u>	<u>Mar-25</u>	<u>Apr-25</u>	<u>Total</u>
Total Purch Power Expense	\$ 3,425,909.47	\$ 2,741,181.32	\$ 2,448,171.94	\$ 2,235,440.14	\$ 10,850,702.87
Balance of Power Cost to Collect Balancing Acct (Prev Month)	3,425,909.47 30,809.66	2,741,181.32 (170,300.68)	2,448,171.94 12,562.88	2,235,440.14 29,082.45	10,850,702.87
Total Power Costs to Collect	3,456,719.13	2,570,880.64	2,460,734.82	2,264,522.59	10,752,857.16
Total Kwh Sales	33,477,225	28,152,472	24,859,367	22,534,282	109,023,346
Purch Power exp in rate base (.081517 x Total kWh sales)	2,728,962.95	2,294,905.06	2,026,461.02	1,836,927.07	8,887,256.10
Increase (Decrease) in FPPC	<u>(225,478.00)</u>	<u>275,975.58</u>	<u>434,273.80</u>	<u>427,595.52</u>	<u>912,366.89</u>
Power Cost adj factor	(0.00674)	0.00980	0.01747	0.01898	0.008369
Power Cost adj factor used	(0.01222)	(0.00674)	0.00980	0.01747	0.018025
Balancing Account					
Amt to Collect (Refund) prev Mo.	30,809.66	(230,545.94)	(170,300.68)	12,562.88	
Power Costs (Current Month)	3,425,909.47	2,741,181.32	2,448,171.94	2,235,440.14	
Total Power Costs	3,456,719.13	2,510,635.38	2,277,871.26	2,248,003.02	
Base Rate Recovery	2,728,962.95	2,294,905.06	2,026,461.02	1,836,927.07	
PCA Collected (Refunded)	958,302.12	386,031.00	238,847.36	381,993.50	1,965,173.98
Carry-forward error (See Note 1 below)					-
Balancing Acct	<u>\$ (230,545.94)</u>	<u>\$ (170,300.68)</u>	<u>\$ 12,562.88</u>	<u>\$ 29,082.45</u>	

EXHIBIT B

**Prepared Direct Testimony and Attachments of
Luis A. Reyes, Jr.**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**

EXHIBIT B

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF KIT CARSON ELECTRIC)
COOPERATIVE INC.'S APPLICATION FOR)
CONTINUATION OF ITS FUEL AND PURCHASED) Docket No. 25-00032-UT
POWER COST ADJUSTMENT.)**

PREPARED DIRECT TESTIMONY AND ATTACHMENTS

OF

LUIS A. REYES, JR.

JUNE 27, 2025

**DIRECT TESTIMONY AND ATTACHMENTS OF
LUIS A. REYES, Jr.
NMPRC Case No. 25-00032-UT**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Luis A. Reyes, Jr. I am the Chief Executive Officer of Kit Carson Electric
3 Cooperative, Inc. (“Kit Carson” or “KCEC”). My business address is 118 Cruz Alta Road,
4 Taos, New Mexico 87571.

5 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

6 A. I have an Associate’s degree from the New Mexico Military Institute in Roswell, New
7 Mexico. I have a Bachelor of Science in Electrical Engineering from New Mexico State
8 University.

9 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS AND**
10 **EXPERIENCE.**

11 A. I have been employed by Kit Carson since 1984. I worked as a System Electrical Engineer
12 until 1993. In 1993, I became Kit Carson’s General Manager and am currently KCEC’s
13 Chief Executive Officer.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A. My testimony will support and explain Kit Carson’s Application for Continuation of Its
16 Fuel and Purchased Power Cost Adjustment Clause (“FPPCAC”) as part of its approved
17 tariff for electric service to its customers (“Application”). Kit Carson is also filing the
18 testimony and exhibits of its Chief Financial Officer, Mr. Cletus Stoflet, and its consultant,
19 Mr. Edwin Reyes, principal of Enchantment Energy Consulting, LLC, in support of its
20 Application.

21 **Q. PLEASE DESCRIBE KIT CARSON.**

1 A. Kit Carson is a not-for-profit, rural electric cooperative organized and existing under the
2 New Mexico Rural Electric Cooperative Act and having its principal place of business at
3 118 Cruz Alta Road, Taos, New Mexico, 87571. Kit Carson has district offices located at
4 State Road 75 in Peñasco, New Mexico; at 2648 Highway 522 in Questa, New Mexico;
5 and an office on Highway 285 in Ojo Caliente, New Mexico. Kit Carson has approximately
6 30,720 electric service customers.

7 **Q. IS KIT CARSON A PUBLIC UTILITY WITHIN THE MEANING OF THE**
8 **PUBLIC UTILITY ACT?**

9 A. Yes. Kit Carson renders electric public utility service to its members and members of the
10 public in Taos, Colfax, and Rio Arriba Counties in New Mexico.

11 **Q. WHAT IS KIT CARSON'S FPPCAC?**

12 A. FPPCACs are governed by the New Mexico Public Regulation Commission's
13 ("Commission" or "NMPRC") Rule 550, under which an FPPCAC is designed to permit
14 an electric utility to "flow through" to its customers "the increases or decreases in
15 applicable fuel and purchased power per kilowatt hour of delivered energy above or below
16 a base fuel and purchased power expense;" and to "assure that [Kit Carson] collects through
17 the FPPCAC the amount actually expended for fuel and purchased power costs." By use
18 of this flow-through methodology, a utility's earnings can be stabilized when the delivered
19 costs of fuel and purchased power are rising, and the utility's customers can receive prompt
20 credits when fuel and purchased power costs are declining.

21 Kit Carson's FPPCAC is contained in each of KCEC's existing customer rate schedules
22 and contains the parameters for determining the amount of increase or decrease in the cost
23 of fuel and purchased power, which is added to or deducted from each customer's electric
24 service charges in their monthly bill. Kit Carson's tariffs implementing the current base
25 cost of purchased power in the FPPCAC went into effect in 2021. The base cost of

1 purchased power is currently \$0.081517/kilowatt hour (“kWh”), which is the amount Kit
2 Carson has used in computing the monthly power cost adjustment factor.

3 **Q. PLEASE EXPLAIN THE HISTORICAL NEED FOR AUTOMATIC FUEL**
4 **ADJUSTMENTS.**

5 A. Since 1972, the Commission has authorized utilities to utilize automatic adjustment clauses
6 for changes in the delivered cost of fuel and purchased power. Automatic adjustment
7 clauses have been included in the tariffs of rural electric cooperatives because the fully
8 delivered cost of purchased power is a large component of the cooperatives’ total operating
9 costs. Because the rural electric cooperatives generally do not own their own generation
10 resources, with the exception of renewable energy resources to comply with renewable
11 energy portfolio requirements mandated by state laws, the costs associated with the
12 acquisition or generation of electric supply and the transmission and delivery of purchased
13 power is largely outside the control of distribution cooperatives in New Mexico.

14 **Q. WHO IS KIT CARSON’S CURRENT WHOLESALE ELECTRIC SUPPLIER?**

15 A. Upon Kit Carson’s exit from its membership as an electric distribution cooperative member
16 of Tri-State Generation and Transmission Association, Inc. (“Tri-State”), effective July 1,
17 2016, KCEC selected Guzman Energy, LLC (“GE”) as its wholesale power supplier to
18 meet its power supply and energy needs after a rigorous competitive bid process.

19 **Q. DOES KIT CARSON ACHIEVE ITS OBJECTIVE OF ACQUIRING RELIABLE**
20 **AND REASONABLY PRICED ELECTRIC POWER SUPPLY THROUGH ITS**
21 **AGREEMENT WITH GE?**

22 A. Yes. GE performs the energy supply function that Tri-State previously performed for Kit
23 Carson and acquires an energy supply portfolio, including elements of renewable energy,
24 in the Rocky Mountain and desert Southwest energy markets that it then provides to KCEC.

1 The wholesale power purchase agreement (“PPA”) Kit Carson currently has in place with
2 GE is for a term through June 30, 2040, and enables KCEC to access and lock-in future
3 energy supply at market rates, similar to the power supplies Tri-State was selling to off-
4 system (non-Tri-State members) wholesale power customers. Working with GE, Kit
5 Carson not only has access to power supplies at market rates, it can also work to structure
6 its power supplies to provide more long-term rate stability as well as meet its renewable
7 energy objectives as set by KCEC’s membership, which we have successfully done in that
8 Kit Carson is now 100% daytime solar generation to meet its daytime load requirements.

9 **Q. DO THE CHARGES KIT CARSON NOW PAYS FOR THE COST OF**
10 **DELIVERED ENERGY INCLUDE THE SAME OR SIMILAR CHARGES FOR**
11 **THE COST OF ENERGY SUPPLY PREVIOUSLY APPROVED BY THE**
12 **COMMISSION?**

13 A. Yes. Kit Carson’s current wholesale power rate includes more than simply the cost of
14 energy supply; it also includes transmission costs, capital expenditures in both the
15 generation and transmission assets, operations and maintenance costs, non-operating costs
16 that may arise from requirements imposed by the Rural Utilities Services (“RUS”) agency,
17 and a built-in margin for GE. Kit Carson continues to pay the cost of wholesale energy
18 supply, the transmission service charges for delivery of its power supply to KCEC’s
19 electric distribution system, and the cost of solar purchases from renewable energy
20 qualifying facilities (“QFs”) that Kit Carson is required to purchase.

21 Each of these charges are elements of the delivered cost of energy that Kit Carson has had
22 to pay for its wholesale power supply both prior to and since its exit from TSGT. Kit
23 Carson has historically flowed through the monthly charges it received from its wholesale
24 power rate through the FPPCAC. Each of these types of charges reflects the cost of
25 delivered energy to Kit Carson and are similar to delivered cost of energy elements that
26 have been flowed through its FPPCAC on a monthly basis for decades. With this

1 Application for continuation of its FPPCAC, Kit Carson proposes to maintain in place its
2 current base cost for the FPPCAC.

3 Kit Carson's witness Mr. Edwin Reyes, will address in more detail the cost elements of the
4 delivered cost of energy for KCEC's base cost of the FPPCAC in his testimony attached to
5 this Application.

6 **Q. IS THE COST OF DELIVERED ENERGY STILL A SIGNIFICANT**
7 **PERCENTAGE OF KIT CARSON'S TOTAL COST OF SERVICE?**

8 A. Yes, it remains a significant component of our costs. The fully delivered cost of purchased
9 power has ranged from 53.1% to 57.6% of Kit Carson's total cost of service since 2022, as
10 reflected in the testimony and attachments of Mr. Stoflet. Purchased power is a very
11 significant percentage of Kit Carson's total costs. Consequently, upward and downward
12 changes must be reflected promptly in our billings to our customers to avoid a mismatch
13 of costs and revenues.

14 **Q. CAN KIT CARSON PROJECT THE EXACT COST OF ITS PURCHASED**
15 **POWER?**

16 A. No. Kit Carson has no base load electric generation facilities over which it has control.
17 Likewise, Kit Carson has no control over the renewable energy from renewable QFs from
18 which it must purchase the renewable energy output, which are intermittent energy
19 supplies. The vast majority of Kit Carson's power is currently purchased under the PPA
20 with GE. The delivered energy cost to Kit Carson under its PPA with GE includes cost
21 components associated with the energy supply, including the intermittent renewable
22 resources, transmission and demand components, and fluctuates on a monthly basis so that
23 the fully delivered energy cost cannot be accurately projected for any significant period of
24 time. Because of these fluctuations in wholesale rates for its purchased power, Kit Carson

1 has needed and continues to need a mechanism that will allow it to flow through its fuel
2 and delivered energy costs to its Cooperative customers.

3 **Q. IS THERE ONE ELEMENT OF THE RATEMAKING MECHANISM THAT**
4 **WORKS TO DIRECTLY IMPACT THE RATES FOR KIT CARSON'S**
5 **DELIVERED ENERGY COST?**

6 A. Yes. The element that directly impacts the delivered energy cost for Kit Carson is the
7 volume of monthly kWh sales. This element, more than any other factor in the rate
8 mechanism, works to directly impact the rate of Kit Carson's delivered energy cost that
9 flows through the FPPCAC.

10 **Q. HOW DOES KIT CARSON ACCOUNT FOR THESE FLUCTUATIONS IN THE**
11 **DELIVERED POWER COST?**

12 A. Kit Carson accounts for the fluctuation through the operation of its FPPCAC. KCEC flows
13 the increases and decreases in delivered power cost through to its consumers when it
14 occurs. Without the FPPCAC, Kit Carson would need to file for a rate increase periodically
15 and would need to file for a rate decrease when the energy costs decrease due to market
16 forces. Kit Carson is still an RUS borrower and, as a practical matter, has no alternative to
17 borrow money to cover the increased energy costs because RUS does not authorize loans
18 for power costs. Kit Carson has no viable option apart from its FPPCAC to recover
19 increasing energy supply costs or refund decreasing energy supply costs to its consumers.

20 **Q. ARE KIT CARSON'S PURCHASED POWER POLICIES AND PRACTICES**
21 **DESIGNED TO ASSURE THAT ELECTRIC POWER IS GENERATED AND**
22 **PURCHASED AT THE LOWEST REASONABLE COST?**

23 A. Yes. Kit Carson adopted the FPPCAC mechanism to help it continue to purchase electric
24 power at the lowest reasonable cost. Kit Carson has worked to achieve this outcome

1 primarily through its PPA with GE. KCEC witness Mr. Edwin Reyes generally describes
2 how GE acquires the wholesale power supplies that it provides to Kit Carson. However,
3 because Kit Carson still requires electric transmission service to get its power supply
4 delivered to its distribution system, it has to pay the transmission service rates imposed by
5 the two transmission service providers that KCEC must rely upon for power deliveries,
6 including Tri-State and Public Service Company of New Mexico (“PNM”). Kit Carson
7 pays both Tri-State and PNM for transmission service, over which KCEC has no control.
8 The transmission rate Kit Carson pays Tri-State was the result of a transmission service
9 contract Tri-State put in place prior to its application to the Federal Energy Regulatory
10 Commission (“FERC”), and pays PNM its FERC approved filed transmission service rates.
11 Tri-State has in place a FERC approved Open Access Transmission Tariff (“OATT”) and
12 its transmission service agreements have been approved by FERC. Kit Carson has
13 previously intervened in and protested Tri-State’s proposed OATT and the transmission
14 service agreement Tri-State put in place with KCEC, and intends to be an active participant
15 in future FERC cases in its efforts to retain the lowest reasonable cost for electric
16 transmission service.

17 **Q. WHAT INITIATIVES AND STRATEGIES HAS KIT CARSON UNDERTAKEN**
18 **TO ACHIEVE THE MANDATE TO ELMINATE FOSSIL FUEL ENERGY**
19 **SOURCES FROM ITS ENERGY SUPPLY PORTFOLIO WHILE MAINTAINING**
20 **RELIABLE LOW-COST ENERGY SUPPLY RESOURCES?**

21 A. With the support and approval of RUS, Kit Carson has invested in the range of \$100 million
22 in solar and renewable energy resources to put in place reliable energy resources that serve
23 to provide KCEC with reliable supply of renewable energy that also provides Kit Carson
24 with capacity to meet its need for resiliency and ability to respond to emergency measures
25 in response to wildfires in its service territory. These initiatives have included the planned
26 addition of energy storage capacity in the form of batteries, which Kit Carson anticipates
27 will come online in next nine (9) to eighteen (18) months. These solar and renewable

1 energy capacity and resource additions help to strategically position Kit Carson's electric
2 distribution system to be resilient and self-reliant to mitigate the risk arising from forced
3 shut-downs during wildfire emergencies that impact its member customers, and position
4 KCEC to explore the utilization of microgrids on its system to continue to provide electric
5 service during these emergency situations.

6 **Q. HAS KIT CARSON BEEN ABLE TO UNDERTAKE THESE RENEWABLE**
7 **ENERGY STRATEGIES WITHOUT A CORRESPONDING DIRECT INCREASE**
8 **IN THE COST OF PURCHASED POWER?**

9 A. Yes. The majority of Kit Carson's energy costs fixed as they relate to these additional
10 renewable energy resources and capacity, with the exception of the potential for increased
11 costs arising from the addition of storage energy and capacity. Those units have not come
12 online as of yet, and may represent an increase in the cost of purchased power available to
13 meet peak demand and to mitigate the risk from emergency measures taken in response to
14 wildfires. To date, Kit Carson has successfully made the fundamental switch in its energy
15 resources from a single supplier who would raise rates over KCEC's objections and that
16 dictated the amount of renewable energy it would supply to KCEC, to transition to a supply
17 portfolio that includes a variety of renewable energy resources located within Kit
18 Carson's service territory that enhance the resiliency of Kit Carson's electric distribution
19 system while maintaining its access to a long-term power supply contract at fixed prices.

20 **Q. HAS THERE BEEN ANY FINDING BY THE COMMISSION OR SUGGESTION**
21 **MADE IN ANY OF KIT CARSON'S RATE CASES OR IN ANY COMPLAINTS**
22 **FILED WITH THE NMPRC THAT THE USE OF KIT CARSON'S FPPCAC DOES**
23 **NOT RESULT IN KCEC PURCHASING POWER AT THE LOWEST**
24 **AVAILABLE COST?**

25 A. No.

1 **Q. DOES KIT CARSON PROPOSE TO CONTINUE TO UTILIZE THE FPPCAC ON**
2 **A MONTHLY BASIS?**

3 A. Yes. Since the cost to Kit Carson for delivered energy is such a substantial portion of its
4 total costs, KCEC must recover sufficient revenues on a monthly basis in order to pay the
5 total delivered costs associated with the purchased power costs paid to GE for the previous
6 month. Timely recovery of these costs, therefore, is critical to Kit Carson's financial
7 integrity and its ability to adequately serve its customers. The best and most efficient
8 means to pass through the various charges in the delivered energy costs is by use of Kit
9 Carson's proposed FPPCAC. Additionally, Kit Carson's customers are benefitted if KCEC
10 can periodically pass through to them credits due to a decline in the total delivered energy
11 costs, should a decline occur in the future. The purposes and benefits of Kit Carson's
12 proposed FPPCAC are described in the testimony and attachments of Mr. Stoflet.

13 **Q. DOES KIT CARSON SUBMIT PERIODIC REPORTS TO THE COMMISSION**
14 **CONCERNING ITS FPPCAC?**

15 A. Yes. Kit Carson provides a monthly report (Rule 550, Form II) to the Commission
16 reflecting the actual total cost to KCEC for the delivered energy cost and Kit Carson's
17 charges to its customers pursuant to its FPPCAC. These reports, required under Rule 550
18 to be submitted by all utilities with a FPPCAC, permit the Commission to monitor and
19 ensure compliance with the FPPCAC. Please refer to Mr. Stoflet's testimony for a
20 summary of these reports for the service period January 2022 through April 2025. I have
21 attached as Attachment LAR-1 to my testimony, the audited 2024 year-end RUS Form 7
22 (consolidated) report for Kit Carson. The RUS Form 7 report includes Kit Carson's audited
23 revenue and expense statement for calendar year 2024 and reflects KCEC's costs and
24 revenues included in, or affected by the operation of its FPPCAC.

1 **Q. WHAT IS THE IMPACT OF THE FPPCAC ON KIT CARSON'S EARNINGS**
2 **WHEN ELECTRICITY PRICES ARE RISING AND ON SAVINGS TO KIT**
3 **CARSON'S CUSTOMERS WHEN PRICES ARE DECREASING?**

4 A. As a result of Kit Carson's initiatives to manage the renewable energy resources to achieve
5 its strategic objectives outlined above, which includes as a key component the use of its
6 FPPCAC, KCEC is able to stabilize its margins when the full delivered energy costs are
7 increasing. This is particularly crucial in the case of a utility like Kit Carson for whom the
8 delivered energy costs are such a significant percentage of its operating costs.

9 **Q. WOULD THE FINANCIAL INTEGRITY OF KIT CARSON AND KIT CARSON'S**
10 **SERVICE TO ITS CUSTOMERS BE JEOPARDIZED WITHOUT THE FPPCAC?**

11 A. Yes. Given that the fully delivered cost of energy has ranged from 53.1% to 57.6% of the
12 total operating cost for KCEC since 2022, without continued use of the FPPCAC, Kit
13 Carson would have to file frequent rate cases, the significant cost of such litigated
14 proceedings and the corresponding delay in getting rate relief would increase operating
15 costs and customer rates, and be an inefficient use of KCEC's limited resources and may
16 not serve to address its objectives to remain 100% daytime solar. Additionally, the
17 fluctuation in KCEC's monthly load from weather-related usage and the continued growth
18 in the number of intermittent energy resources on Kit Cason's electric distribution system,
19 primarily distributed solar generation still exists, necessitating the continued use of the
20 FPPCAC to ensure monthly changes in load do not render the utility incapable of capturing
21 the fully delivered cost of power required to serve its members.

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

23 A. Yes

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF KIT CARSON COOPERATIVE)
 INC.'S APPLICATION FOR CONTINUATION OF ITS)
FUEL AND PURCHASED POWER COST ADJUSTMENT) Docket No. 25-00032-UT**

SELF AFFIRMATION

On this 27 day of June, 2025, I, Luis A. Reyes, Jr., swear and affirm under penalty of perjury under the laws of the State of New Mexico, that my testimony contained in the Prepared Direct Testimony and Attachments of Luis A. Reyes, Jr. is true and correct.

/s/ Luis A. Reyes, Jr.

 LUIS A. REYES, JR.

ATTACHMENT NO. LAR-1

TO

EXHIBIT B

**Prepared Direct Testimony and Attachments of
Luis A. Reyes, Jr.**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION

NM0011

PERIOD ENDED December 2024 (Prepared with Audited Data)

BORROWER NAME

Kit Carson Electric Cooperative, Inc.

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Luis Reyes

5/1/2025

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	44,278,567	46,963,492	43,613,482	5,249,245
2. Power Production Expense				
3. Cost of Purchased Power	25,075,750	25,540,098	23,080,621	3,395,514
4. Transmission Expense	97,005	89,969	0	22,246
5. Regional Market Expense				
6. Distribution Expense - Operation	2,578,912	2,679,492	2,467,878	319,454
7. Distribution Expense - Maintenance	2,173,089	2,253,418	1,262,476	120,363
8. Customer Accounts Expense	2,720,976	2,855,264	2,687,605	235,301
9. Customer Service and Informational Expense	1,011	3,978	0	
10. Sales Expense				
11. Administrative and General Expense	4,515,974	5,356,268	5,101,529	550,332
12. Total Operation & Maintenance Expense (2 thru 11)	37,162,717	38,778,487	34,600,109	4,643,210
13. Depreciation and Amortization Expense	5,244,208	5,637,109	5,297,346	524,351
14. Tax Expense - Property & Gross Receipts	19,654	20,455	20,340	1,468
15. Tax Expense - Other	23,894	30,834	30,040	2,474
16. Interest on Long-Term Debt	3,060,753	3,555,580	2,961,313	625,734
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	14,881	37,118	46,058	929
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 19)	45,526,107	48,059,583	42,955,206	5,798,166
21. Patronage Capital & Operating Margins (1 minus 20)	(1,247,540)	(1,096,091)	658,276	(548,921)
22. Non Operating Margins - Interest	160,359	168,964	171,600	24,542
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	6,842,704	6,369,718	6,264,625	1,558,850
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	441,794	665,549	0	616,544
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	6,197,317	6,108,140	7,094,501	1,651,015

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION

NM0011

PERIOD ENDED

December 2024

INSTRUCTIONS - See help in the online application.

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	292	310	5. Miles Transmission	143.00	143.00
2. Services Retired	60	60	6. Miles Distribution – Overhead	1,810.19	1,826.04
3. Total Services in Place	30,420	30,816	7. Miles Distribution - Underground	1,050.71	1,068.45
4. Idle Services (Exclude Seasonals)	45	45	8. Total Miles Energized (5 + 6 + 7)	3,003.90	3,037.49

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	173,179,328	30. Memberships	0
2. Construction Work in Progress	3,031,679	31. Patronage Capital	48,112,674
3. Total Utility Plant (1 + 2)	176,211,007	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	81,820,878	33. Operating Margins - Current Year	(1,096,091)
5. Net Utility Plant (3 - 4)	94,390,129	34. Non-Operating Margins	7,204,232
6. Non-Utility Property (Net)	90,106,061	35. Other Margins and Equities	249,516
7. Investments in Subsidiary Companies	1,355,866	36. Total Margins & Equities (30 thru 35)	54,470,331
8. Invest. in Assoc. Org. - Patronage Capital	0	37. Long-Term Debt - RUS (Net)	7,414,986
9. Invest. in Assoc. Org. - Other - General Funds	5,080	38. Long-Term Debt - FFB - RUS Guaranteed	37,241,624
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	3,634,672	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	0	40. Long-Term Debt Other (Net)	46,890,487
12. Other Investments	0	41. Long-Term Debt - RUS - Econ. Devel. (Net)	0
13. Special Funds	0	42. Payments – Unapplied	0
14. Total Other Property & Investments (6 thru 13)	95,101,679	43. Total Long-Term Debt (37 thru 41 - 42)	91,547,097
15. Cash - General Funds	1,088,638	44. Obligations Under Capital Leases - Noncurrent	48,842,672
16. Cash - Construction Funds - Trustee	8,654	45. Accumulated Operating Provisions and Asset Retirement Obligations	0
17. Special Deposits	481,783	46. Total Other Noncurrent Liabilities (44 + 45)	48,842,672
18. Temporary Investments	0	47. Notes Payable	1,316,885
19. Notes Receivable (Net)	5,232	48. Accounts Payable	6,167,765
20. Accounts Receivable - Sales of Energy (Net)	16,160,699	49. Consumers Deposits	351,703
21. Accounts Receivable - Other (Net)	3,419,234	50. Current Maturities Long-Term Debt	6,155,425
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Economic Development	0
23. Materials and Supplies - Electric & Other	3,900,950	52. Current Maturities Capital Leases	4,752,467
24. Prepayments	859,110	53. Other Current and Accrued Liabilities	5,131,564
25. Other Current and Accrued Assets	414,565	54. Total Current & Accrued Liabilities (47 thru 53)	23,875,809
26. Total Current and Accrued Assets (15 thru 25)	26,338,865	55. Regulatory Liabilities	0
27. Regulatory Assets	176,388	56. Other Deferred Credits	1,090,596
28. Other Deferred Debits	3,819,444	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	219,826,505
29. Total Assets and Other Debits (5+14+26 thru 28)	219,826,505		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION NM0011
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2024
PART D. NOTES TO FINANCIAL STATEMENTS	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION NM0011
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2024
PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION
NM0011

PERIOD ENDED
December 2024

INSTRUCTIONS - See help in the online application.

PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	127,189,939	4,762,575	754,692		131,197,822
2. General Plant	16,135,390	2,063,568	849,765		17,349,193
3. Headquarters Plant	5,210,375	30,552			5,240,927
4. Intangibles	0				0
5. Transmission Plant	14,376,852				14,376,852
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	5,014,534				5,014,534
8. Total Utility Plant in Service (1 thru 7)	167,927,090	6,856,695	1,604,457		173,179,328
9. Construction Work in Progress	1,721,314	1,310,365			3,031,679
10. Total Utility Plant (8 + 9)	169,648,404	8,167,060	1,604,457		176,211,007

PART F. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	2,086,553	1,807,729		1,627,829	6,948		2,259,505
2. Other	1,212,744	2,744,704		2,131,555	184,448		1,641,445

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	
1. Present Year	0.000	52.590	5.470	127.010	185.070
2. Five-Year Average	0.000	93.220	15.760	149.690	258.670

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	85	4. Payroll - Expensed	4,342,427
2. Employee - Hours Worked - Regular Time	151,794	5. Payroll - Capitalized	541,445
3. Employee - Hours Worked - Overtime	6,459	6. Payroll - Other	1,161,487

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	0	2,882,311
	b. Special Retirements	136,212	2,583,183
	c. Total Retirements (a + b)	136,212	5,465,494
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	0	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	215,896	
	c. Total Cash Received (a + b)	215,896	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days	\$ 1,845,479	2. Amount Written Off During Year	\$ 0
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ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM

1. Anticipated Loan Delinquency %		4. Anticipated Loan Default %	
2. Actual Loan Delinquency %		5. Actual Loan Default %	
3. Total Loan Delinquency Dollars YTD	\$	6. Total Loan Default Dollars YTD	\$

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION NM0011
INSTRUCTIONS - See help in the online application	PERIOD ENDED December 2024

PART K. kWh PURCHASED AND TOTAL COST

No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	Guzman Energy (FL)	800593			239,623,000	11,357,165	4.74		
	Total				239,623,000	11,357,165	4.74		

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INSTRUCTIONS - See help in the online application		PERIOD ENDED December 2024	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION NM0011	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2024	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0011	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2024	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/15/2024	2. Total Number of Members 23,812	3. Number of Members Present at Meeting 401	4. Was Quorum Present? N
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 11	7. Total Amount of Fees and Expenses for Board Members \$ 419,350	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION NM0011			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2024			
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	7,414,986	249,707	1,115,518	1,365,225
2	National Rural Utilities Cooperative Finance Corporation				
3	CoBank, ACB	46,890,488	1,812,641	3,160,059	4,972,700
4	Federal Financing Bank	37,241,624	1,119,067	1,038,886	2,157,953
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	Farm Credit Leasing	48,672,299	618,450	4,214,141	4,832,591
11	Altec Leasing	0	1,162	36,190	37,352
12	Other Leasing Companies	170,373	70,057	182,116	252,173
	TOTAL	140,389,770	3,871,084	9,746,910	13,617,994

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0011		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2024		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	18,173	18,204	
	b. kWh Sold			115,132,008
	c. Revenue			20,414,254
2. Residential Sales - Seasonal	a. No. Consumers Served	7,924	7,730	
	b. kWh Sold			39,051,216
	c. Revenue			7,616,402
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,677	4,625	
	b. kWh Sold			111,413,647
	c. Revenue			17,483,190
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	10	10	
	b. kWh Sold			18,550,911
	c. Revenue			2,216,711
6. Public Street & Highway Lighting	a. No. Consumers Served	23	22	
	b. kWh Sold			817,615
	c. Revenue			133,865
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		30,807	30,591	
11. Total kWh Sold (lines 1b thru 9b)				284,965,397
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				47,864,422
13. Transmission Revenue				
14. Other Electric Revenue				(900,930)
15. kWh - Own Use				447,016
16. Total kWh Purchased				322,766,414
17. Total kWh Generated				
18. Cost of Purchases and Generation				25,630,067
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident ___ Coincident ___				61,901

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION NM0011			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			PERIOD ENDED December 2024			
INSTRUCTIONS - See help in the online application.						
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)						
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total						

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION NM0011
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	PERIOD ENDED December 2024

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
1	Non-Utility Property (NET)				
	Kit Carson Internet	37,653,603			
	Taos Meas Energy Facility Inc	38,544,470			
	Angel Fire Energy Facility Inc	13,907,988			
	Totals	90,106,061			
2	Investments in Associated Organizations				
	CFC Patronage Capital		58,545		
	Federated Ins - Patronage	464,363			
	SEDC - Patronage	241,605			
	NRTC - Patronage	727,751			
	CFC - Membership	1,000			
	Tri-State	5			
	Co-Bank - Patronage		1,717,892		X
	Eco membership	4,075			
	Western UNited	424,515			
	Kit Carson Propane	1,355,866			
	Totals	3,219,180	1,776,437		
6	Cash - General				
	Cash-General	821,671	266,967		
	Totals	821,671	266,967		
7	Special Deposits				
	Tri-State	398,426			
	Nexgrid	11,719			
	Western United				
	First American	9,309			
	Vehicle-Construction				
	Alliance Truck & Tank Sales	50,000			
	Cartwrights Plumbing	12,329			
	Totals	481,783			
8	Temporary Investments				
	Co-BanK Investline				
	Totals				
9	Accounts and Notes Receivable - NET				
	Other Accounts Receivable				
	Other Accounts Receivable	3,424,466			
	Totals	3,424,466			
11	TOTAL INVESTMENTS (1 thru 10)	98,053,161	2,043,404		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION NM0011 PERIOD ENDED December 2024
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INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION II. LOAN GUARANTEES

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION NM0011			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2024			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					55.64 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				

EXHIBIT C

**Prepared Direct Testimony and Attachments of
Cletus Stoflet**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**

EXHIBIT C

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF KIT CARSON ELECTRIC)
COOPERATIVE INC.'S APPLICATION FOR)
CONTINUATION OF ITS FUEL AND PURCHASED) Docket No. 25-00032-UT
POWER COST ADJUSTMENT.)**

PREPARED DIRECT TESTIMONY AND ATTACHMENTS

OF

CLETUS STOFLET

JUNE 27, 2025

**DIRECT TESTIMONY AND ATTACHMENTS OF
CLETUS STOFLET
NMPRC Case No. 25-00032-UT**

1 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

2 A. My name is Cletus Stoflet. My business address is 118 Cruz Alta Road, Taos, New
3 Mexico 87571.

4

5 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

6 A. I am the Chief Financial Officer of Kit Carson Electric Cooperative, Inc. (“Kit Carson”
7 or “KCEC”).

8

9 **Q. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL AND**
10 **PROFESSIONAL BACKGROUND.**

11 A. I received a Bachelor of Arts with Honors in Accounting and Political Science from Carroll
12 College in Helena, Montana. I am a Certified Public Accountant license #4784 issued
13 from the State of Montana. I have over 22 years of experience in the accounting field
14 holding positions of Chief Financial Officer (“CFO”), Dean of Finance, Controller, and
15 Accounting Manager completing financial statement preparation and presentation,
16 budgeting, grant accounting and reporting, and forecasting. In my position as the
17 Accounting Manager and CFO at Kit Carson, I manage the Accounting Department,
18 prepare the monthly actual to budget financials, oversee the insurance renewal and property
19 tax reporting, manage the financial audit, and prepare KCEC’s annual budgets.

20

21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

**DIRECT TESTIMONY AND ATTACHMENTS OF
CLETUS STOFLET
NMPRC Case No. 25-00032-UT**

1 A. I will explain the manner in which Kit Carson’s Fuel and Purchased Power Cost
2 Adjustment Clause (“FPPCAC”) functions for purposes of enabling KCEC to recover its
3 costs of delivered energy supply to its system, consistent with the New Mexico Public
4 Regulation Commission’s (“Commission” or “NMPRC”) 17.9.550 NMAC (“Rule 550”).
5 NMPRC Rule 550 provides the authority for Kit Carson’s utilization of the FPPCAC as
6 the pass-through mechanism for increased or decreased costs of delivered energy over or
7 under the base energy cost established in KCEC’s rates approved by the Commission. I
8 will also explain the computation of the adjustment factor that is applied to customers’
9 monthly energy bills.

10
11 **Q. HAVE YOU REVIEWED THE APPLICATION BEING SUBMITTED BY KCEC**
12 **AND DO YOU AGREE WITH THE FACTS AS SET FORTH IN THE**
13 **APPLICATION?**

14 A. Yes, I have reviewed the Application and I agree with the facts set forth therein.

15
16 **Q. PLEASE DESCRIBE THE APPLICANT.**

17 A. Kit Carson is a rural electric cooperative organized under the provisions of the New Mexico
18 Rural Electric Cooperative Act (“NMRECA”). KCEC has a wholesale power purchase
19 agreement (“PPA”) with Guzman Energy, LLC (“GE”) pursuant to which it has a
20 commitment to purchase its wholesale energy supply through June 30, 2040. Kit Carson
21 also has in place transmission service agreements with both Public Service Company of

**DIRECT TESTIMONY AND ATTACHMENTS OF
CLETUS STOFLET
NMPRC Case No. 25-00032-UT**

1 New Mexico (“PNM”) and Tri-State Generation and Transmission Association, Inc.
2 (“TSGT”), pursuant to which KCEC receives transmission service to get its power supply
3 delivered to its electric distribution system.
4

5 **Q. PLEASE SUMMARIZE THE PURPOSE OF THIS APPLICATION BY KCEC.**

6 A. Kit Carson is requesting that the Commission approve its Application for the continued use
7 of its FPPCAC, which was last approved by the NMPRC in the Final Order in Case No.
8 20-00089-UT issued on April 28, 2021. In that case, the Commission approved the
9 continuance of the FPPCA, computed by utilizing the calculation of the fuel cost factor as
10 provided in NMPRC Rule 550.
11

12 **Q. WHAT METHOD OF CALCULATION OF THE FUEL COST FACTOR DOES**
13 **KCEC CURRENTLY UTILIZE?**

14 A. Exhibit A to KCEC’s Application in this proceeding shows the Annual Reconciliation
15 Reports for 2022 through April 2025 and reflects the fuel and purchased power cost
16 adjustment under the methodology approved by the Commission in Case No. 20-00089-
17 UT. Under the methodology, the amount carried forward to the following month’s
18 calculation is the entire balancing account, which will be included in computing the next
19 month’s factor, as provided in Rule 550.12(B).
20

21 **Q. WHY IS KIT CARSON REQUESTING THE CONTINUATION OF THIS**

**DIRECT TESTIMONY AND ATTACHMENTS OF
CLETUS STOFLET
NMPRC Case No. 25-00032-UT**

1 **METHODOLOGY?**

2 A. This methodology accomplishes the provisions of NMPRC Rule 550.6(B) in that the
3 stability of earnings of Kit Carson are protected, since the fluctuations in the delivered
4 energy cost over the base power cost are collected from or refunded to the customer, as
5 appropriate, through the energy billings to customers. Additionally, this method provides
6 for a prompt response to changes in the cost of delivered energy, and the pass-through of
7 these changes, increase or decrease, to the customers.

8

9 **Q. PLEASE EXPLAIN THE HISTORICAL NEED FOR AUTOMATIC FUEL**
10 **ADJUSTMENTS, INCLUDING FOR KCEC.**

11 A. As described in the testimony of Luis A. Reyes, Jr., Chief Executive Officer of Kit Carson,
12 automatic adjustment clauses have been included in the tariffs for investor-owned and rural
13 electric cooperatives, including KCEC, for a number of reasons. It is a fundamental
14 regulatory principle that utilities should be afforded an opportunity to recover their cost of
15 providing service. Setting rates in a general rate case based on test-year costs, adjusted for
16 known and measurable changes, will generally provide a utility a reasonable opportunity
17 to recover its costs. However, for cost components that are more volatile -- especially those
18 components of cost that represent a significant portion of a utility's overall costs -- it is
19 appropriate to implement a recovery mechanism that will provide the utility with a
20 reasonable opportunity to recover its costs while at the same time protecting customers
21 from cost over-recoveries. Fuel and purchased power represent large cost components

**DIRECT TESTIMONY AND ATTACHMENTS OF
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NMPRC Case No. 25-00032-UT**

1 whose fluctuation alone could trigger a rate increase or decrease. An automatic FPPCAC
2 thus eliminates the cost and resources required to have potentially frequent rate cases, but
3 at the same time, allow adequate regulatory oversight of these expenditures. An automatic
4 FPPCAC is a traditional ratemaking tool used by electric utilities to provide for the
5 recovery of fuel, purchased power, transmission and other energy-related costs outside of
6 a general rate case. An automatic FPPCAC simply provides a mechanism for the timely
7 recovery of this volatile variable delivered energy cost component, which is not within the
8 control of the rural electric distribution cooperative.

9 Specifically as to Kit Carson, purchased power and transmission costs are outside of
10 KCEC's control. Purchased power costs are driven by the costs of Kit Carson's wholesale
11 energy supplier and include the various costs the wholesale supplier incurs to generate
12 and/or purchase wholesale power on behalf of KCEC. The fuel costs are largely driven by
13 market forces that affect the prices of coal, natural gas or renewable energy resources.
14 Additionally, Kit Carson has to arrange for transmission service from existing transmission
15 service providers to obtain delivery of these energy supplies to its electric distribution
16 system. Kit Carson incurs the cost of transmission service under the rates established in
17 transmission service agreements entered into with the transmission service providers
18 pursuant to their Open Access Transmission Tariffs ("OATT"), which are approved by the
19 Federal Energy Regulatory Commission ("FERC"). Under the current regulatory
20 framework, utilities are allowed to recover their prudently incurred expenses. Cost
21 components as volatile as fuel, purchased power and transmission can quickly erode

**DIRECT TESTIMONY AND ATTACHMENTS OF
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1 liquidity, resulting in undue financial stress and preventing Kit Carson from having the
2 opportunity to recover its cost. Kit Carson’s automatic FPPCAC is a traditional rate
3 mechanism that enables timely recovery of the cost of the supply and delivery of purchased
4 power on a dollar-for-dollar basis with no markup. Under an automatic FPPCAC,
5 customers are asked to pay neither more nor less than the actual cost of acquiring and
6 delivering the purchased power to provide electric utility service. In an environment
7 characterized by volatile fuel and purchased power prices, which are impacted by
8 seasonality, actual vs. forecasted usage, weather changes, transmission outages, and greater
9 economic events, an automatic FPPCAC is an essential component that helps provide Kit
10 Carson a reasonable opportunity to recover its cost and meet its times interest earned ratio
11 (“TIER”) requirements imposed by the Rural Utilities Services (“RUS”), the federal
12 agency within the U.S. Department of Agriculture that supplies the financial resources
13 necessary for rural electric cooperatives to operate.

14 Additionally, use of an automatic FPPCAC provides better price signals to Kit Carson’s
15 customers. Customers cannot respond to price changes that they cannot see. If fuel and
16 purchased power prices are only reflected in rate cases, customers cannot see the fuel and
17 purchased power volatility that is occurring in the marketplace. This removes demand
18 response as a tool that can be used for balancing customer needs with utility resources.
19 Enabling demand response as a part of the solution requires that customers be provided
20 with price information on as timely a basis as possible. Reflecting price signals to
21 customers on a timely basis is the most effective means of encouraging energy

**DIRECT TESTIMONY AND ATTACHMENTS OF
CLETUS STOFLET
NMPRC Case No. 25-00032-UT**

1 conservation as part of the energy solution. With an automatic FPPCAC, as energy and
2 delivery costs go up or down, customers will quickly be able to see the impact of increased
3 or decreased energy costs on their bills and customers will be more inclined to take
4 measures to modify their energy consumption than if they only see price changes when
5 there is a rate case. Indeed, if prices are only changed in a rate case, it is possible that the
6 price signal sent to customers will not only fail to encourage conservation but actually
7 signal customers to purchase more energy at a time when energy commodity and delivery
8 prices are increasing.

9 **Q. IS THE COST OF THE FUEL AND PURCHASED POWER A SIGNIFICANT**
10 **PERCENTAGE OF KIT CARSON'S TOTAL COST OF SERVICE AS**
11 **REFERENCED IN RULE 550.16(A)(1)?**

12 A. Yes. The fully delivered cost of fuel and purchased power cost has ranged from 53.1% to
13 57.6% Kit Carson's cost of service, from 2022 through 2024, with a weighted average of
14 55.2%. Monthly fluctuations in a cost component that makes up such a large percentage
15 of KCEC's total cost of service must be dealt with promptly. Attached as Attachment No.
16 CS-1 is a statement showing the cost of power as a percentage of the total cost of service
17 from 2022 through 2024.

18
19 **Q. WHY DO KIT CARSON'S POWER COSTS FLUCTUATE?**

20 A. Attachment No. CS-2-Summary and Attachment No. CS-2-Detail illustrate the
21 fluctuations that can occur in Kit Carson's purchased power cost from month to month

**DIRECT TESTIMONY AND ATTACHMENTS OF
CLETUS STOFLET
NMPRC Case No. 25-00032-UT**

1 using November 2023 and December 2023 as examples. Generally, there are three
2 primary reasons for the fluctuation in KCEC's power cost.

3 First, because KCEC's monthly kilowatt hour ("kWh") sales will vary from month to
4 month, this change in kWh sales will cause the average amount of costs to be recovered
5 through the FPPCAC to vary monthly.

6 Second, because KCEC's source of power is diversified with both commercial and
7 residential solar in addition to traditional power supply from GE, monthly power supply
8 cost varies both on favorable or unfavorable weather for solar production and increased
9 overall solar generating capacity. New additions of both commercial and residential solar
10 installations change not only the solar/non-solar power production ratio but also affect the
11 cost per kWh of purchased power.

12 Third, because Kit Carson's bills its customers on meter readings during the month that
13 are not simultaneous with the date of the reading of the pertinent metering points by GE
14 and KCEC's transmission service providers, the recovery of purchased power cost from
15 customers on a billing cycle basis will not coincide with the monthly billing from GE on
16 the energy component or TSGT or PNM on the transmission component. There is never
17 an exact match between energy purchased from GE or the transmission billed from TSGT
18 or PNM, and the delivered cost of energy billed to KCEC's customers in a billing period.

19
20 **Q. IS KCEC PURCHASING WHOLESALE POWER AT THE LEAST POSSIBLE**
21 **COST?**

**DIRECT TESTIMONY AND ATTACHMENTS OF
CLETUS STOFLET
NMPRC Case No. 25-00032-UT**

1 A. Yes. The relationship of KCEC regarding its wholesale power purchases is fully described
2 in the testimony of Mr. Edwin Reyes, principal of Enchantment Energy Consulting, LLC,
3 filed with this case.

4
5 **Q. HOW IS THE BASE POWER COST REFLECTED ON THE ABOVE**
6 **ATTACHMENTS ESTABLISHED?**

7 A. The current retail rates of Kit Carson became operational as a result of the NMPRC's
8 approval of rates in KCEC's last rate case, NMPRC Case No. 15-00375-UT. KCEC began
9 billing its customers under these rates in January, 2017. The base power cost established
10 in Kit Carson's last FPPCAC continuation case is \$0.081517 per kWh sold. *See,*
11 *Attachment No. CS-3.*

12
13 **Q. PLEASE DESCRIBE THE MANNER IN WHICH KIT CARSON'S FPPCAC IS**
14 **ADMINISTERED.**

15 A. Kit Carson's FPPCAC is governed by NMPRC Rule 550. The purpose of the FPPCAC is
16 to flow through to the users of electricity the increases or decreases in the delivered cost of
17 energy per kWh of delivered energy above or below the base cost. No amounts to be
18 recovered by Kit Carson's FPPCAC are included in the base rates for service, as referenced
19 in Rule 550.16(B). The FPPCAC appears in the utility's rate schedule and contains the
20 parameters for determination of the amount of any increase or decrease in the cost of fuel
21 and purchased power which shall be added to or deducted from each customer's monthly

**DIRECT TESTIMONY AND ATTACHMENTS OF
CLETUS STOFLET
NMPRC Case No. 25-00032-UT**

1 bill. Attached to my testimony as Attachment No. CS-3 is a copy of KCEC's Eighth
2 Revised Rate No. 1, Residential Service, approved by the Commission effective December
3 14, 2016, which reflects the FPPCAC (on page 2).
4

5 **Q. ARE THE BILLINGS UNDER THE FPPCAC REPORTED BY KIT CARSON TO**
6 **THE NMPRC?**

7 A. Yes. Kit Carson submits a monthly report to the NMPRC (Rule 550 Form II) reflecting
8 the actual power cost, the power cost recovered through KCEC's base rates, the actual
9 power cost billed to the customer through the FPPCAC, and the balancing account carried
10 forward to the next month. This procedure provides assurance that Kit Carson collects
11 through the FPPCAC the amount actually expended for fuel and purchased power, as
12 referenced in NMPRC Rule 550.6(C). Exhibit A to the Application in this proceeding
13 reflects the information reported to the NMPRC from January 2022, through April 2025,
14 and contains the information required by NMPRC Rule 550.17(B). This schedule reflects
15 the actual amount of FPPCAC revenue billed (or refunded) to the customers in each
16 respective year. As mentioned earlier, a copy of the form filed with the Commission
17 monthly is presented in Attachment No. CS-4. This report provides for adequate regulatory
18 review of Kit Carson's operations under its FPPCAC, as referenced in Rule 550.6(A).
19

20 **Q. IS KIT CARSON CURRENTLY APPLYING THE FPPCAC IN ITS BILLINGS TO**
21 **ITS CUSTOMERS PURSUANT TO THE NMPRC'S PREVIOUS APPROVAL?**

**DIRECT TESTIMONY AND ATTACHMENTS OF
CLETUS STOFLET
NMPRC Case No. 25-00032-UT**

1 A. Yes.

2

3 **Q. PURSUANT TO NMPRC RULE 550.17(C), DO YOUR ATTACHMENTS**
4 **CONTAIN A REVENUE AND EXPENSE STATEMENT CONTAINING AN**
5 **ANALYSIS OF COSTS AND REVENUES INCLUDED IN OR AFFECTED BY**
6 **THE OPERATIONS OF KIT CARSON’S FPPCAC?**

7 A. Yes. This is Attachment No. CS-1.

8

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes, it does.

11

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF KIT CARSON COOPERATIVE)
INC.'S APPLICATION FOR CONTINUATION OF ITS)
FUEL AND PURCHASED POWER COST ADJUSTMENT) Docket No. 25-00032-UT

SELF AFFIRMATION

On this 27 day of June, 2025, I, Cletus Stoflet, swear and affirm under penalty of perjury under the laws of the State of New Mexico, that my testimony contained in the Prepared Direct Testimony and Attachments of Cletus Stoflet is true and correct.

/s/ Cletus Stoflet

 CLETUS STOFLET

ATTACHMENT NO. CS-1

TO

EXHIBIT C

**Prepared Direct Testimony and Attachments of
Cletus Stoflet**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**

Attachment CS-1

Kit Carson Electric Co-Op
Summary of Revenue, Purchased Power Cost and Total Cost of Service
2022 - 2024

Description	Form 7 Ref	2022	2023	2024	Total
Revenues	Line 1	\$ 45,603,158	\$ 44,278,567	\$ 46,963,492	\$ 136,845,217
Cost of Purchased Power	Line 3	\$ 22,224,263	\$ 25,075,750	\$ 25,540,098	\$ 72,840,111
Tri-State exit fee reversal (Note 1)		3,440,812	-	-	3,440,812
Cost of Purchased Power per provider invoice		<u>\$ 25,665,075</u>	<u>\$ 25,075,750</u>	<u>\$ 25,540,098</u>	<u>\$ 76,280,923</u>
Operating Expenses	Line 4 thru 19	22,306,051	20,450,357	22,519,485	\$ 65,275,893
Total Cost of Electric Service	Line 20	<u>\$ 44,530,314</u>	<u>\$ 45,526,107</u>	<u>\$ 48,059,583</u>	<u>\$ 138,116,004</u>
Cost of Power as a Percentage of Cost of Service		57.6%	55.1%	53.1%	55.2%

Note 1 - The Tri-State Buyout exit fee started in July 2016 and is recorded monthly over 6 years. The reversal included above adds back the amount recorded to Cost of Purchased Power to properly reflect the actual Purchased Power amounts invoiced by power providers.

ATTACHMENT NO. CS-2

TO

EXHIBIT C

**Prepared Direct Testimony and Attachments of
Cletus Stoflet**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**

RULE 550 FORM II
Power Cost Fluctuations - Detail
Nov-23 & Dec-23

057

	November 2023 Report		December 2023 Report		Change			
					\$	%		
APPLICABLE RATE SCHEDULE (S)								
EFFECTIVE DATE OF FUEL FACTOR	12/25/2023		1/25/2024					
1) PURCHASED POWER EXPENSE								
A) ENERGY-Guzman		1,074,984.60		1,546,899.00	471,914.40	44%		
B) Tri-State G & T		241,254.72		247,528.02	6,273.30	3%		
C) PNM		127,204.17		167,579.20	40,375.03	32%		
D) SSA Solar of NM		39,856.95		34,458.88	(5,398.07)	-14%		
E) Chevron Solar		13,095.90		8,838.74	(4,257.16)	-33%		
E) Arcadia/Terraform Solar/Washington Gas Energy		31,862.00		23,072.82	(8,789.18)	-28%		
F) El Rito Solar (Syncartha El Rito 1)		12,893.60		11,189.60	(1,704.00)	-13%		
G) Questa Solar (Syncartha Questa 1)		14,540.80		12,382.40	(2,158.40)	-15%		
H) Eagle Nest Solar (Syncartha Eagle Nest 1)		3,698.72		8,179.20	4,480.48	121%		
I) Taos Solar (Syncartha Taos 1)		28,513.60		24,764.80	(3,748.80)	-13%		
J) Picuris Pueblo Solar		9,742.41		8,605.62	(1,136.79)	-12%		
K) Tres Piedras Solar		17,060.80		13,957.20	(3,103.60)	-18%		
L) Town of Taos Solar		9,924.79		8,426.90	(1,497.89)	-15%		
M) Net Metering		(7,948.94)		18,398.00	26,346.94	-331%		
N) Taos Mesa Energy Facility		257,706.00		229,078.00	(28,628.00)	-11%		
O) Angel Fire Energy Facility		81,046.00		74,327.00	(6,719.00)	-8%		
P) Compliance & Regulatory Support		-		32,716.66	32,716.66			
I) TOTAL FIRM ENERGY COSTS		1,955,436.12		2,470,402.04	514,965.92	26%		
2) NET PURCHASED POWER EXPENSE		1,955,436.12		2,470,402.04	514,965.92	26%		
3) BALANCING ACCOUNT APPLIED (From item 10 (f) Below)		301,624.39		(250,820.19)	(552,444.58)	-183%		
4) APPLICABLE FUEL AND PURCHASE POWER EXPENSE (Sum of Item 3 and Item 4)		2,257,060.51		2,219,581.85	(37,478.66)	-2%		
5) APPLICABLE KWH SALES								
Actual	18,582,577		32,030,961		13,448,384	72%		
Chevron kwh sales	-		-					
NET KWH	18,582,577		32,030,961					
6) BASE FUEL AND PURCHASED POWER EXP KWH SALES	18,582,577	0.081517	1,514,795.93	32,030,961	0.081517	2,611,067.85	1,096,271.92	6%
7) INCREASED OR DECREASED FUEL AND PURCHASED POWER EXPENSE								
			742,264.58		(391,486.00)	(1,133,750.58)	-153%	
			-		-			
			742,264.58		(391,486.00)			
8) FUEL AND PURCHASED POWER COST FACTOR		0.03994			(0.01222)	(0.05216)	-131%	
9) BALANCING ACCOUNT CALCULATION								
a) BALANCING ACCOUNT BEGINNING OF MONTH		26,181.63		301,624.39				
b) POWER COSTS (Current Month)		1,955,436.12		2,470,402.04				
c) TOTAL POWER COSTS TO BE RECOVERED		1,981,617.75		2,772,026.43				
d) BASE RATE RECOVERY (Kwh x Base Rate)	0.081517	1,514,795.93		2,611,067.85				
e) ACTUAL RECOVERY FPPCAC REVENUE		165,197.43		411,778.77				
		1,679,993.36		3,022,846.62				
f) BALANCING ACCOUNT END OF MONTH		301,624.39		(250,820.19)				

ATTACHMENT NO. CS-3

TO

EXHIBIT C

**Prepared Direct Testimony and Attachments of
Cletus Stoflet**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**

DEC 12 2016

KIT CARSON ELECTRIC COOPERATIVE, INC.
EIGHTH REVISED RATE NO. 1
CANCELLING SEVENTH REVISED RATE NO. 1

RESIDENTIAL SERVICE
SCHEDULE "RS"

Page 1 of 6

AVAILABILITY:

Available to all residential consumers and individually metered apartments who require less than 50 kVA transformer capacity within the Utility's service area and who maintain residence in the same premise for nine (9) months or more per year.

CHARACTER OF SERVICE:

Alternating current, single phase, 60 Hertz at available secondary voltages.

NET RATE PER BILLING PERIOD: (Or part thereof/service)

\$20.50 per billing period per service (System Charge) X

-PLUS-

Energy Charge

	per kWh	
0-750 kWh	\$ 0.11349	X
751 to 1250 kWh	\$ 0.12430	X
Over 1,250 kWh	\$ 0.13511	X

Revised Advice Notice No. 60

EFFECTIVE

DEC 14 2016



Luis A. Reyes, Chief Executive Officer

REPLACED BY NMPRC

BY Comm. Final Order Case No. 15-00375-UT

KIT CARSON ELECTRIC COOPERATIVE, INC.
EIGHTH REVISED RATE NO. 1
CANCELLING SEVENTH REVISED RATE NO. 1

RESIDENTIAL SERVICE
SCHEDULE "RS"

Page 2 of 6

The system charge shall cover costs of providing electric service, including operation and maintenance of facilities, consumer accounting expenses and other administrative costs.

TAX ADJUSTMENT:

Billing under this schedule may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees or charges (exclusive of Ad Valorem, State and Federal Income Taxes) payable by the Utility and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

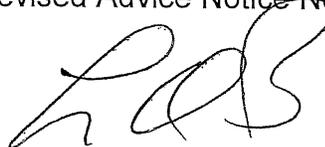
PURCHASED POWER COST ADJUSTMENT:

The Utility shall, if the purchased power expense is increased or decreased above or below the base purchased power cost of \$0.081517/kWh sold, flow through to the users such increases or decreases, in accordance with 17.9.550 NMAC.

X

X

Revised Advice Notice No. 60



Luis A. Reyes, Chief Executive Officer

EFFECTIVE

DEC 14 2016

REPLACED BY NMPRC

BY Comm Final Order Case NO. 15-00375-UT

KIT CARSON ELECTRIC COOPERATIVE, INC.
EIGHTH REVISED RATE NO. 1
CANCELLING SEVENTH REVISED RATE NO. 1

RESIDENTIAL SERVICE
SCHEDULE "RS"

Page 3 of 6

DEBT COST ADJUSTMENT:

The utility may flow through increases or decreases in the cost of debt capital incurred pursuant to securities, above or below the debt cost utilized to establish rates in accordance with 17.9.540 NMAC.

X

ANNUAL RATE/YEAR:

Upon the request of the consumer and for his convenience, the Utility will render one bill annually payable in advance. The annual charges will be estimated by the Utility based on billing period minimum rate charges, established contracts or on prior years' usage. If prior years' usage is utilized, the average annual prior years' usage shall be divided by 12 and allocated to each future billing period. For the first 11 months, a customer charge of \$20.50 per billing period per service plus the above kWh rate plus the applicable purchased power adjustment factor shall be applied to each service and its associated estimated kWh usage. The calculated bill will be subtracted from the consumer's prepaid balance. The twelfth billing period shall be an adjusting bill consisting of the \$20.50 customer charge plus the applicable kWh charge adjustments to the consumer's actual annual usage.

X

X

MINIMUM BILLING PERIOD CHARGES:

The billing period minimum charges shall be the highest of the following:

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REPLACED BY NMPRC

BY Comm. Final Order Case No. 15-00375-4T



Luis A. Reyes, Chief Executive Officer

KIT CARSON ELECTRIC COOPERATIVE, INC.
EIGHTH REVISED RATE NO. 1
CANCELLING SEVENTH REVISED RATE NO. 1

RESIDENTIAL SERVICE
SCHEDULE "RS"

Page 4 of 6

MINIMUM BILLING PERIOD CHARGES: (continued)

- | | | |
|----|---|---|
| 1. | \$20.50 per billing period with no allowance for kWh. | X |
| 2. | Minimum charges established in accordance with Line Extension Policy. No power allowed for the first \$20.50. | X |
| 3. | All consumers requiring more than 10 kVA transformer capacity shall be charged an additional \$1.20 per kVA of transformer capacity in excess of 10 kVA for which power usage will be allowed at the foregoing rates. This charge shall be in addition to the system charge of \$20.50 (no kWh allowance in system charge). Capacity and energy allowances shall be made only during the billing period in which they occurred. | X |
| 4. | Minimum charges established by special contract between the consumer and the Utility. This charge shall be in addition to the system charge of \$20.50 (no kWh allowance in system charge). | X |

TERMS OF PAYMENT:

The charges per billing period in the foregoing rates are net, due and payable within twenty (20) days from the date on the bill.

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Luis A. Reyes, Chief Executive Officer

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REPLACED BY NMPRC
BY Comm. Final Order Case NO. 15-00375-UT

KIT CARSON ELECTRIC COOPERATIVE, INC.
 EIGHTH REVISED RATE NO. 1
 CANCELLING SEVENTH REVISED RATE NO. 1

RESIDENTIAL SERVICE
 SCHEDULE "RS"

Page 5 of 6

SERVICE CHARGE:

A service charge of one and one-half percent (1-1/2%) per billing period or fraction thereof will be charged on all utility bills and invoices which are delinquent.

BILLING PERIOD:

The billing period shall be approximately 1/12 of a year, but not necessarily a calendar month.

BUDGET BILLING:

Upon the request of the consumer and for his convenience, the Utility will provide budget billing in accordance with the rules and regulations filed by the Utility and approved by the New Mexico Public Regulation Commission.

TEMPORARY OR UNUSUAL SERVICE:

Temporary or unusual service will be covered by the Utility's rules and regulations. In such cases, the minimum charges, conditions of furnishing substation equipment, connection and disconnection of service and special conditions will be covered by special agreement with the customer. The customer shall pay for all expenses involved in furnishing the temporary service.

Revised Advice Notice No. 60

EFFECTIVE

DEC 14 2016

REPLACED BY NMPRC

BY Comm. Final order Case No. 15-00375-4T


 Luis A. Reyes, Chief Executive Officer

KIT CARSON ELECTRIC COOPERATIVE, INC.
EIGHTH REVISED RATE NO. 1
CANCELLING SEVENTH REVISED RATE NO. 1

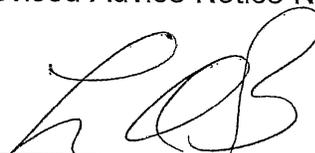
RESIDENTIAL SERVICE
SCHEDULE "RS"

Page 6 of 6

CONDITIONS OF SERVICE:

1. The Utility's rules and regulations, filed with the regulatory body shall apply.
2. All wiring, pole lines and other electrical equipment electrically on the load side of the metering point shall be considered the distribution system of the consumer and shall be furnished and maintained by the consumer, unless otherwise specified in the Utility's rules and regulations.
3. The consumer's installation shall conform to City, State and National Electrical codes and Electrical Safety Codes.
4. The consumer shall not resell or share electric service with others.
5. Special conditions of service shall be covered by contract.
6. The rates and provisions herein are subject to any changes or modifications that may be lawfully ordered by any governmental body.

Revised Advice Notice No. 60



Luis A. Reyes, Chief Executive Officer

EFFECTIVE

DEC 14 2016

REPLACED BY NMPRC

BY Comm. Final Order Case No. 15-00375-UT

ATTACHMENT NO. CS-4

TO

EXHIBIT C

**Prepared Direct Testimony and Attachments of
Cletus Stoflet**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**



118 Cruz Alta Rd, Taos NM 87571
(575) 758-2258 1(800) 688-6780
Fax: (575) 758-4890 or (575) 758-4611
www.kitcarson.com

May 23, 2025

Ms. Melanie Sandoval
New Mexico Public Regulation Commission
PO Box 1269
Santa Fe, NM 87504-1269

Dear Ms. Sandoval

Enclosed please find a calculation of the fuel and purchased power cost adjustment factor for the month of April 2025. This factor will be effective beginning with the June 9, 2025, bill.

If you should have any questions, or need additional information, please call me at (575) 758-2258 ext. 126.

Sincerely,

A handwritten signature in black ink, appearing to read "Cletus Stoflet".

Cletus Stoflet
Chief Financial Officer

Via e-mail to prc.records@prc.nm.gov

BOARD OF TRUSTEES

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Charles Garcia
Corporate Attorney

Luis A. Reyes, Jr
Chief Executive Officer

KIT CARSON ELECTRIC COOPERATIVE
RULE 550 FORM II
POWER COST ADJUSTMENT FACTOR
Apr-25

APPLICABLE RATE SCHEDULE (S)	EFFECTIVE DATE OF FUEL FACTOR			
1) PURCHASED POWER EXPENSE	4/25/2025			
A) ENERGY-Guzman			\$	747,067.70
B) Tri-State G & T				291,319.77
C) PNM				210,426.13
D) SSA Solar of NM				63,417.50
E) Chevron Solar				16,422.00
E) Arcadia/Terraform Solar/Washington Gas Energy				60,126.84
F) El Rito Solar (Syncartha El Rito 1)				20,220.80
G) Questa Solar (Syncarpha Questa 1)				21,868.00
H) Eagle Nest Solar (Syncartha Eagle Nest 1)				1,022.40
I) Taos Solar (Syncartha Taos 1)				46,235.20
J) Picuris Pueblo Solar				13,999.96
K) Tres Piedras Solar				19,000.00
L) Town of Taos Solar				16,565.32
M) Net Metering				26,142.87
N) Taos Mesa Energy Facility				565,559.00
O) Angel Fire Energy Facility				114,626.00
P) Compliance & Regulatory Support				1,420.65

I) TOTAL FIRM ENERGY COSTS				2,235,440.14
2) LESS PURCHASED POWER COST FOR Chevron				-
3) NET PURCHASED POWER EXPENSE				2,235,440.14
4) BALANCING ACCOUNT APPLIED (From item 10 (f) Below)				29,082.45
5) APPLICABLE FUEL AND PURCHASE POWER EXPENSE (Sum of Item 3 and Item 4)				2,264,522.59
6) APPLICABLE KWH SALES				
Actual	22,534,282			
Chevron kwh sales	-			
NET KWH	<u>22,534,282</u>			
KWH SALES	22,534,282	0.081517		1,836,927.07
8) INCREASED OR DECREASED FUEL AND PURCHASED POWER EXPENSE				-----
				427,595.52
				-
				427,595.52
9) FUEL AND PURCHASED POWER COST FACTOR				0.01898
10) BALANCING ACCOUNT CALCULATION				
a) BALANCING ACCOUNT BEGINNING OF MONTH	\$	12,562.88		
b) POWER COSTS (Current Month)		<u>2,235,440.14</u>		
c) TOTAL POWER COSTS TO BE RECOVERED		2,248,003.02		
d) BASE RATE RECOVERY (Kwh x Base Rate)	0.081517	1,836,927.07		
e) ACTUAL RECOVERY FPPCAC REVENUE		<u>381,993.50</u>		
f) BALANCING ACCOUNT END OF MONTH	\$	<u>29,082.45</u>		

Invoice

Guzman Energy
101 Aragon Avenue
Coral Gables, FL 33134

Invoice no. : KC0425
Reference no. : April 2025
Date : 05/16/2025
Due date : 06/16/2025

Bill to: Kit Carson Electric Cooperative
Attn: Kit Carson Electric Cooperative
118 Cruz Alta Road
Attn: Accounts Payable
Taos, NM 87571

Total amount : \$623,622.54
Total due : \$623,622.54

Description or memo	Amount
April 2025 KCEC PSA Base Cost - 15,761,000 kWh @ .04740	\$747,071.40
Energy Imbalance (PNM) March 2025	\$(89,814.04)
A/S Services (PNM) for March 2025	\$(32,915.42)
Transmission Loss Recovery (Tristate) April 2025	\$(715.70)
Over-Supply Payment April 2025	\$(3.70)
Bank Instructions: Wilmington Trust, NA Account: Guzman Amethyst - Deposit Account ABA#: 031100092 Account#: 167283-001	Total amount: \$623,622.54

Guzman Energy
101 Aragon Avenue
Coral Gables, FL 33134
United States

Customer ID: C-0063
Invoice no: KC0425

Bill to: Kit Carson Electric Cooperative
Attn: Kit Carson Electric Cooperative
118 Cruz Alta Road
Attn: Accounts Payable
Taos, NM 87571

Total due: \$623,622.54

Amount enclosed:

Remit to: Guzman Energy
United States

Approved
R
5/19/25



Return remittance copy with payment:
 Tri-State Generation and Transmission
 Association, Inc.
 Attn: Treasury Department, P.O. Box
 33695
 Denver, CO 80233

Bill-to

Kit Carson Electric Cooperative
 Kit Carson Electric Cooperative
 Attn: Luis A Reyes Jr.
 P.O. Box 578
 Taos, NM 87571

Ship-to

INVOICE

1041001

Purchase Order
 Invoice Date 05/15/2025
 Shipped Date

Line Total 271,802.20
 Sales Tax 20,233.27
 Shipping 0.00

Total 292,035.47
 Payments 0.00
 Credits 0.00
 Financial Charges 0.00

Payment Terms 20 NET Due Date 06/04/2025

Balance Due \$292,035.47

No.	Product	Description	UOM	Quantity	Unit Price	Amount
1		Network Service: Schedule 1 - South - BLACK LAKE		1	3,532.89	3,532.89
2		Network Service: Loss Recovery - Total KCEC		1	715.7	715.70
3		Network Service: Load Ratio Share - South - TAOS		1	177,709.44	177,709.44
4		Network Service: Schedule 2 - South - TAOS		1	2,666.03	2,666.03
5		Network Service: Schedule 2 - South - BLACK LAKE		1	915.86	915.86
6		Network Service: Load Ratio Share - South - BLACK LAKE		1	61,048.3	61,048.30
7		Network Service: Schedule 1 - South - OJO CALIENTE		1	724.88	724.88
8		Network Service: Schedule 1 - South - TAOS		1	10,284.11	10,284.11
9		Network Service: Load Ratio Share - South - OJO CALIENTE		1	12,525.93	12,525.93
10		Network Service: Schedule 2 - South - OJO CALIENTE		1	187.92	187.92
11		Network Service: FERC Annual Fee Charge - Total KCEC		1	1,491.14	1,491.14
Line Total						271,802.20

Remit to:

Tri-State Generation and Transmission Assn, Inc.
 c/o Wells Fargo Bank N.A.
 Account No.2450199101
 For WIRE: ABA No. 121000248

*Approved
 R
 5/19/2020*

SSA Solar of NM, LLC

Invoice Number	18781
Invoice Date	5/8/25
Due Date	5/23/25
PO Number	(none)

Bill To:

Kit Carson Electric Cooperative, Inc.
 118 Cruz Alta Rd.
 Taos, NM 87571

Invoice for Electric Power Services

Facility Name	Address
Blue Sky 1	#84 Gravel Pit Rd Taos, NM 87571

Meter Number	From Date	To Date	4/30/25 kWh	3/31/25 kWh	Net Change	Rate/kWh	Amount Due
24860	4/1/25	4/30/25	37,006,256.00	36,719,286.00	286,970.00	0.220990	63,417.50
			37,006,256.00	36,719,286.00	286,970.00		63,417.50

Please Remit To:

Via CHECK:
 SSA Solar of NM, LLC
 PO Box 932364
 Cleveland, OH 44193-0006

Via WIRE:
 PNC Bank, NA
 ABA: 041000124
 Bank Acct: 4260601062
 Bank Acct Name: SSA Solar of NM, LLC
 995 Dalton Ave
 Cincinnati, OH 45203-1101

Utilities Tax:

Total Due: 63,417.50

[Handwritten Signature]
 5/12/25

Chevron Power and Energy Management Co

Invoice # 20002434-0425

April 2025

Invoiced to : Kit Carson Electric Cooperative

Po Box 578

Taos, NM 87571

Estimate

		Kwh	\$/kwh	Amt Due
Meter #	68288997	51,000	0.161	8,211.00
Meter #	68288995	51,000	0.161	8,211.00
Prev Mo Cr				
Total		<u>102,000</u>		<u>\$ 16,422.00</u>



Invoice

Bill From:
 Arcadia Solar, LLC
 200 Liberty St, 14th Floor
 New York, NY 10281

Invoice# : 200100249636

Invoice Date : 30 Apr 2025

Term : NET 30

Due Date : 30 May 2025

Site

Project # : NM-19-S015

Project : NM - S0015 - Kit Carson

Meter # :

Bill To:
 Kit Carson Electrical Cooperative, Inc.
 PO Box 578
 Taos, NM 87571

Ship To:
 Kit Carson Electrical Cooperative, Inc.
 PO Box 578
 Taos, NM 87571

Charge Detail						
Description	Period From	Period To	Quantity	Unit	Unit Price	Amount
NM - S0015 - Kit Carson, Gross Generation from 01 Apr 2025 to 30 Apr 2025, kWh	01 Apr 2025	30 Apr 2025	298,056	kWh	0.20173	\$60,126.84

Note:

Current Charges	\$60,126.84
*Tax	0.00
Discount	0.00
Total (USD)	\$60,126.84

Payment Instructions

If paying by ACH or by Wire (Preferred Method)

Account Name: Arcadia Solar, LLC
Bank Name: Wells Fargo
Routing Number: 121000248
Account Number: 4031837917
Bank Address:
Include Reference: 200100249636/NM-19-S015

If paying by Check

Make Checks Payable to:
Arcadia Solar, LLC
 Include Reference:
 200100249636/NM-19-S015

Mail to Project Lockbox Account

Wells Fargo
 Lockbox 856982-AS7917
 1801 Parkview Drive 1st Floor
 Shoreview, MN 55126

R
5/12/25

For questions about this invoice, please contact Accounts Receivable at billing@luminace.com or call 646-992-2440.

If your invoice reflect zero generation, than most likely there is a communication outage. Once communications are restored, you will be invoiced for the missing data.

*Tax is included on invoices for transactions in states where tax is imposed on sales of electricity unless customer provides a proper exemption certificate.


Syncarpha El Rito I, LLC

250 W. 57th Street
Suite 701
New York, NY 10107
(212) 419-4840
accounting@syncarpha.com

INVOICE
BILL TO: Kit Carson Electric Cooperative, Inc.

Attn: Luis A. Reyes, Jr., Chief Executive Officer
118 Cruz Alta Rd
Taos, New Mexico 87571

INVOICE #: 364880

INVOICE DATE: 04/30/2025

DUE DATE: 05/30/2025

PAYMENT TERMS: N20

4/1/2025-
4/30/2025

ITEM DESCRIPTION	MEMO	UNIT	QTY	UNIT PRICE	AMOUNT
PPA - Energy Generation	Energy Generation - El Rito I	mWh	356	\$56.80	\$20,220.80
				TOTAL	\$20,220.80

Wire payment information:

Syncarpha El Rito I, LLC
J.P. Morgan Bank
ABA 021000021
Account # 758485507

R
5/12/25


Syncarpha Questa I, LLC

250 W. 57th Street
Suite 701
New York, NY 10107
(212) 419-4840
accounting@syncarpha.com

INVOICE
BILL TO: Kit Carson Electric Cooperative, Inc.

Attn: Luis A. Reyes, Jr., Chief Executive Officer
118 Cruz Alta Rd
Taos, New Mexico 87571

INVOICE #: 364879

INVOICE DATE: 04/30/2025

DUE DATE: 05/30/2025

PAYMENT TERMS: N20

4/1/2025-
4/30/2025

ITEM DESCRIPTION	MEMO	UNIT	QTY	UNIT PRICE	AMOUNT
PPA - Energy Generation	Energy Generation - Questa I	mWh	385	\$56.80	\$21,868.00
				TOTAL	\$21,868.00

Wire payment information:

Syncarpha Questa, LLC
J.P. Morgan Bank
ABA 021000021
Account # 741682667

R
5/12/25



Syncarpha Eagle Nest I, LLC

250 W. 57th Street
Suite 701
New York, NY 10107
(212) 419-4840
accounting@syncarpha.com

INVOICE

BILL TO: Kit Carson Electric Cooperative, Inc.

Attn: Luis A. Reyes, Jr., Chief Executive Officer
118 Cruz Alta Rd
Taos, New Mexico 87571

INVOICE #: 364878

INVOICE DATE: 04/30/2025

DUE DATE: 05/30/2025

PAYMENT TERMS: N20

4/1/2025-
4/30/2025

ITEM DESCRIPTION	MEMO	UNIT	QTY	UNIT PRICE	AMOUNT
PPA - Energy Generation	Energy Generation - Eagle Nest I	mWh	18	\$56.80	\$1,022.40
				TOTAL	\$1,022.40

Wire payment information:

JP Morgan Chase
Syncarpha Eagle Nest I, LLC
Routing # 021000021
Account # 758429620

R
Stiles


Syncarpha Taos I, LLC

250 W. 57th Street
Suite 701
New York, NY 10107
(212) 419-4840
accounting@syncarpha.com

INVOICE
BILL TO: Kit Carson Electric Cooperative, Inc.

Attn: Luis A. Reyes, Jr., Chief Executive Officer
118 Cruz Alta Rd
Taos, New Mexico 87571

INVOICE #: 364881

INVOICE DATE: 04/30/2025

DUE DATE: 05/30/2025

PAYMENT TERMS: N20

4/1/2025-
4/30/2025

ITEM DESCRIPTION	MEMO	UNIT	QTY	UNIT PRICE	AMOUNT
PPA - Energy Generation	Energy Generation - Taos I	mWh	814	\$56.80	\$46,235.20
TOTAL					\$46,235.20

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5/12/25

Wire payment information:

Syncarpha Taos I, LLC
J.P. Morgan Chase
ABA 021000021
Account # 758444389

Picuris Pueblo

Invoice # 0425

April 2025 Solar Production

Invoiced to : Kit Carson Electric Cooperative

Po Box 578

Taos, NM 87571

Estimate

	Kwh	\$/kwh	Amt Due
Meter # 68288997	77,778	0.09	6,999.98
Meter # 68288995	77,778	0.09	6,999.98
Prev Mo Cr			
Total	<u>155,555</u>		<u>\$ 13,999.96</u>

Tres Piedras Solar

Invoice # TPS-04-2025

April 2025

Estimate

Invoiced to : Kit Carson Electric Cooperative

Po Box 578

Taos, NM 87571

Estimate

Meter #	Kwh	\$/kwh	Amt Due
	190,000	0.10	19,000.00
Total	<u>190,000</u>		<u>\$ 19,000.00</u>

Extra

TOWN OF TAOS



INVOICE

400 CAMINO DE LA PLACITA
Taos, NM 87571
Phone: (575) 751-2028

CUSTOMER:

Kit Carson Electric Coop
Attn: Richard Martinez
118 Cruz Alta Road
Taos, NM 87571

"INVOICE NUMBER **SOLAR - APR 25**
"INVOICE DATE **May 9, 2025**

"TERMS **DUE 30 DAYS**

RETURN TO:

Town of Taos
Attention: Accounts Receivable
Josephine Fresquez

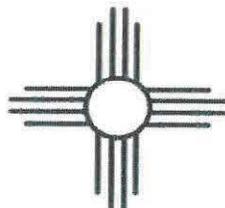
MWh	DESCRIPTION	UNIT PRICE	AMOUNT
\$65.00	Purchase Power Agreement Month of April 2025 kWh 254,851.00	254.85100	16,565.32
		SUBTOTAL	\$ 16,565.32
		PAY THIS	
		AMOUNT	\$ 16,565.32

MAKE ALL CHECKS PAYABLE TO:

Questions concerning this invoice? **TOWN OF TAOS**
Please Call : Jonathan Montoya
(575) 751-2024

Approved
[Signature]
5/19/2025

THANK YOU FOR YOUR BUSINESS!



TAOS MESA ENERGY FACILITY, LLC

Invoice

Taos Mesa Energy Facility, LLC.
 PO Box 578
 Taos, NM 87571

Invoice #	25-04
Date	5/1/2025
Due date:	Upon Receipt

Bill to:
 Kit Carson Electric Cooperative, Inc.
 118 Cruz Alta Road
 Taos, NM 87571

Total amount:	\$ 490,559
---------------	------------

<u>Description</u>	<u>Billing Period</u>	<u>kWh</u>	<u>Rate</u>	<u>Amount:</u>
Solar energy	April 1-30, 2025	3,376,093	\$ 0.10880	\$ 367,319

<u>Description</u>	<u>Billing Period</u>	<u>Mwac</u>	<u>\$/Mwh</u>	<u>Amount:</u>
Battery capacity charge	April 1-30, 2025	12	\$ 10,270	123,240

Rate per Solar & Storage Services Agreement (Revised October 28, 2022)				
			Total amount->	\$ 490,559

EXHIBIT D

**Prepared Direct Testimony and Attachments of
Edwin Reyes, Jr.**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**

EXHIBIT D

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF KIT CARSON ELECTRIC)
COOPERATIVE INC.'S APPLICATION FOR)
CONTINUATION OF ITS FUEL AND PURCHASED) Docket No. 25-00032-UT
POWER COST ADJUSTMENT.)**

PREPARED DIRECT TESTIMONY AND ATTACHMENTS

OF

EDWIN REYES, JR.

JUNE 27, 2025

DIRECT TESTIMONY AND ATTACHMENTS OF
EDWIN REYES, JR.
NMPRC CASE NO. 25-00032-UT

Table of Contents

Section No.	Testimony Topic	Page Number
I	Introduction and Summary of Recommendations	1
II	Qualifications	2
III	Overview of KCEC's Request	4
IV	Cost Fluctuations Are Unavoidable	6
V	Base Cost of Power	16
VI	The Proper Adjustment Period and Recommendations	20

1 **I. INTRODUCTION AND SUMMARY OF RECOMMENDATIONS**

2 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

3 A. My name is Edwin Reyes, Jr. My business address is 8505 Hilton Ave. NE,
4 Albuquerque, New Mexico 87111.

5 **Q. BY WHOM ARE YOU EMPLOYED?**

6 A. I am the principal in Enchantment Energy Consulting LLC., a consulting firm
7 engaged primarily in utility project development, wholesale power supply and
8 transmission transaction structuring and other utility related strategic advisement
9 and regulatory support.

10 **Q. ON WHOSE BEHALF ARE YOU APPEARING?**

11 A. I am appearing on behalf of the Kit Carson Electric Cooperative, Inc. (“KCEC”).

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. The purpose of this testimony is to support KCEC’s need for continuation of the
14 Fuel and Purchase Power Cost Adjustment Clause (“FPPCAC”) based on all the
15 components that make up KCEC’s cost of energy supply, and explain why the
16 request for continued use of its FPPCAC complies with the requirements of the
17 New Mexico Public Regulation Commission’s (“NMPRC” or “Commission”)
18 17.9.550 NMAC (“Rule 550”). I will explain the contract rate structure under
19 which KCEC was charged for Capacity, Energy and Transmission service since

DIRECT TESTIMONY AND ATTACHMENTS OF
EDWIN REYES, JR.
NMPRC CASE NO. 25-00032-UT

1 the last FPPCAC request and compare it to KCEC's current supply portfolio and
2 transmission arrangements. I will show that, the current energy supply costs
3 under KCEC's wholesale Power Sales Agreement ("PSA") with Guzman Energy,
4 LLC ("Guzman") are identifiable over the term of the agreement but there are
5 additional cost components that fluctuate based on several variables. These
6 variables include the total system load, energy and peak demand, the amount of
7 energy generated by KCEC owned/controlled renewable generation, the amount
8 of energy being supplied under the PSA and the cost of transmission required to
9 deliver the resources to KCEC's system load centers. I will provide a
10 representation that its fuel and purchased power policies and practices are
11 observed to ensure that KCEC provides electric service at fair, just and reasonable
12 rates.

13 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.**

14 **A.** Under KCEC's current power supply arrangements the cost of power fluctuates
15 on a monthly basis due to the expanded portfolio of power supply resources and
16 the cost of transmission services required to deliver a large share of the power
17 supply to KCEC customer loads. I also recommend continuing the monthly
18 adjustment period to ensure timely collection of costs incurred for the provision
19 of electric energy to KCEC customers at fair, just and reasonable rates.

20 **II. QUALIFICATIONS**

DIRECT TESTIMONY AND ATTACHMENTS OF
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1 **Q. BEFORE DISCUSSING IN GREATER DETAIL THE VARIOUS**
2 **RECOMMENDATIONS THAT YOU WILL BE ADDRESSING, PLEASE**
3 **STATE YOUR EDUCATIONAL BACKGROUND.**

4 A. I have a Bachelor of Science degree in Mechanical Engineering from New
5 Mexico State University and a Master of Business Administration degree from
6 the University of New Mexico.

7 **Q. PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE.**

8 A. I was employed at Public Service Company of New Mexico (“PNM”) for
9 fourteen (14) years in Electric Marketing as a Sr. Technical Accounts Manager
10 covering Healthcare, Government and Communications Market Segments and in
11 Wholesale Power Marketing as a Senior Originator in the Southwest U.S. region.
12 I was responsible for identification, analysis, structuring and negotiations of
13 wholesale power transactions to Investor-Owned Utilities (“IOU’s”), Electric
14 Cooperatives (“Coop’s”) and Municipal Electric Utilities (“Muni’s”). In 2007, I
15 managed the RFP process, performed the proposal valuation analysis, and was
16 the lead analyst and negotiator for the transaction that resulted in the liquidation
17 of PNM’s wholesale trading portfolio. I also spent six years with Converge, Inc.
18 the second largest Demand Response services provider in the United States and
19 was responsible for the start-up and ongoing operations for eight Demand
20 Response programs in the western U.S. Since January 2014, I have been the
21 principal of Enchantment Energy Consulting, LLC and have worked with

DIRECT TESTIMONY AND ATTACHMENTS OF
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1 Cooperative, Municipal and Tribal Electric utilities in New Mexico and Colorado
2 on various projects associated with wholesale supply planning and procurement,
3 transmission, renewable project development, regulatory support and other
4 strategic initiatives.

5 **Q. HAVE YOU PARTICIPATED AND TESTIFIED IN PRIOR NMPRC**
6 **PROCEEDINGS?**

7 A. Yes. In NMPRC Case No. 09-00257-UT, I provided an affidavit regarding the potential
8 termination payment in the event the NMPRC cancelled PNM's Load Management
9 programs or disallowed cost recovery by PNM. In NMPRC, Case No. 11-00123-UT I
10 testified on behalf of Comverge, Inc. in support of the continuation of PNM's Energy
11 Efficiency Programs portfolio. I was a witness for the City of Las Cruces and Doña Ana
12 County in NMPRC Case No. 18-00006-UT regarding El Paso Electric's ("EPE") request
13 for the continuation of its FPPCAC. I was a witness for the New Mexico Institute of
14 Mining and Technology in NMPRC Case No. 18-00383-UT regarding Socorro Electric
15 Cooperative's ("SEC") requests under Advice Notices No. 69, 70, and 71 for increases in
16 rates and fees under SEC's various rate tariffs. I also provided testimony in support of
17 KCEC's last Request for Continuation of its FPPCAC in 2020 under NMPRC Case No.
18 20-00089-UT.

19 **III. OVERVIEW OF KCEC'S FUEL CLAUSE REQUEST**

20 **Q. PLEASE PROVIDE A BRIEF OVERVIEW OF KCEC'S FUEL CLAUSE**
21 **REQUEST.**

DIRECT TESTIMONY AND ATTACHMENTS OF
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1 A. KCEC has utilized an automatic adjustment clause to timely collect the
2 appropriate revenue based on the fluctuating cost of power to serve KCEC
3 Customers since 1972. KCEC owns no baseload generation resources. KCEC was
4 a member of Plains Electric Generation and Transmission (“Plains”) until 2001
5 when Tristate Generation and Transmission Company (“TSGT”) bought the
6 majority of Plains assets and entered into full requirements wholesale power
7 contracts with twelve of the thirteen Plains distribution cooperative members,
8 including KCEC, through which KCEC became a member of TSGT. KCEC
9 withdrew from TSGT membership in July of 2016 and was served under a three-
10 part demand and energy rate that consisted of a Generation Demand component,
11 a Transmission Demand component and an Energy component. Under this type
12 of rate structure, the average power cost for TSGT’s members fluctuated based
13 on the member’s load factor. The load factor is defined as the ratio of the average
14 load over a given period to the maximum demand (peak load) occurring in that
15 period. Under two-part and three-part demand and energy rates, TSGT’s
16 customers’ average power cost greatly varied based on the load factor. TSGT
17 members with a highload factor will experience lower average rates than
18 members with a low load factor.

19 In July 2016 KCEC began receiving its wholesale power supply from Guzman
20 and continues service today from Guzman under the PSA that extends through
21 June 30, 2040. Under KCEC’s current wholesale power supply arrangements,
22 power is provided through several resource contracts: 1) PSA with Guzman, 2)

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NMPRC CASE NO. 25-00032-UT

1 multiple solar energy Power Purchase Agreements (“Solar PPA’s”), and 3)
2 several Battery Energy Storage Systems (“BESS”) Energy Service Agreements
3 (“ESA’s”). All the energy supplies are delivered within KCEC’s distribution
4 system or under two separate transmission agreements. KCEC has Network
5 Integration Service Agreements (“NITSA’s”) with TSGT and Public Service
6 Company of New Mexico (“PNM”) approved by the Federal Energy Regulatory
7 Commission (“FERC”). Each of the transmission agreements has a demand
8 component that is the largest determinant of the average cost of delivery and, as
9 previously described, can greatly vary based on the load factor. Additionally,
10 each of the power supply contracts have different energy rates and energy is
11 produced or supplied at different volumes. It is not possible to accurately predict
12 the average power cost in advance. KCEC’s Application proposes to continue
13 the use of its FPPCAC, pursuant to NMPRC Rule 550 under the same conditions
14 as are currently in place.

15 **IV. COST FLUCTUATIONS ARE UNAVOIDABLE**

16 **Q. HAVE KCEC’S POWER SUPPLY RESOURCES CHANGED SINCE**
17 **THE LAST FPPCAC CONTINUATION REQUEST?**

18 **A.** Yes. KCEC has added PPA’s for three (3) new solar generation facilities with a
19 combined capacity of 23.5 MW and ESA’s for two (2) BESS projects that will
20 provide 16.25 MW of power capacity.

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1 **Q. WHAT ARE THE MAIN COMPONENTS OF KCEC’S POWER SUPPLY**
2 **COSTS?**

3 **A.** KCEC serves its customer load from a portfolio of resources including:

4 1) Guzman PSA

5 2) Kit Carson Owned Solar Generation Facilities

6 3) Solar generation PPA’s

7 4) BESS ESA

8 5) Western Area Power Administration (“WAPA”) Hydropower
9 Allocation (Taos and Picuris Pueblos)

10 5) PNM Network Integration Transmission Service (“NITS”)

11 6) TSGT NITS

12 **Q. HOW ARE THE RATES STRUCTURED FOR EACH OF THE**
13 **RESOURCES?**

14 **A.** Each of the resources is governed by its own agreement and the costs under each
15 agreement are different and independent of one another.

16 1) Guzman PSA – Capacity and energy provided under this agreement is
17 billed according to an Energy Rate in dollars per megawatt-hour

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1 (“\$/MWh”). The volume of delivered energy is variable and fluctuates
2 based on KCEC’s customer load and the amount of energy being provided
3 by other resources at any time.

4 2) Kit Carson Owned Solar Generation Facilities – the cost of Energy
5 generated from these facilities is based on the fixed capital cost of the
6 facilities plus all required Operations and Maintenance (“O&M”) costs
7 incurred. The facilities generate energy on an intermittent basis and the
8 volume delivered fluctuates on a monthly basis.

9 3) Solar generation PPA’s – KCEC has contracted to receive the output
10 of several photovoltaic (“PV”) Solar generation facilities that have been
11 developed and built throughout KECEC’s service area. The cost of
12 energy generated from these facilities is prescribed in each individual
13 PPA in \$/megawatt hour (“MWh”). The facilities generate energy on an
14 intermittent basis and the volume generated and delivered fluctuates on a
15 monthly basis.

16 4) BESS ESA’s – The ESA’s for the BESS are structured with a fixed
17 monthly charge based on the storage and discharge capacity of the BESS.
18 The ESA’s allow for the capacity and energy to be used to support system
19 reliability and enhance system capacity during non-solar energy
20 producing time periods. The monthly costs under these service
21 agreements are fixed but the average monthly cost of the energy used to

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1 charge and discharge the BESS fluctuates based on the actual usage of the
2 BESS systems and the total customer load requirements.

3 5) WAPA Hydropower Allocation (allocated to Taos and Picuris Pueblos)

4 – These resources are delivered to the KCEC system for the benefit of the
5 Pueblos and the energy is integrated, or mixed, with the other resources
6 to serve the KCEC customer load. The benefits of this low-cost resource
7 flow directly to the respective Pueblos according to agreements between
8 KCEC, the Pueblos and WAPA. The cost of the energy delivered in any
9 given month is dependent on winter snowpack and rainfall in the Rocky
10 Mountain region and varies based on water levels behind the associated
11 hydroelectric dams. Drought has limited the energy available and varying
12 energy deliveries drive the cost due to a fixed monthly capacity charge
13 under those agreements.

14 6) PNM Network Integration Transmission Service (“NITS”) –

15 Transmission and associated Ancillary Services are billed based on
16 PNM’s FERC approved Open Access Transmission Tariff (“OATT”).
17 The billing determinants for these services contain a complicated set of
18 calculations but are mainly Peak Demand, Average Peak Demand, and
19 Energy. System Load Factor has a significant effect on the cost of
20 transmission service and average cost of energy in any given month.

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1 7) TSGT NITS - Transmission and associated Ancillary Services are
2 billed based on TSGT's FERC approved OATT. The billing determinants
3 for these services also contain a complicated set of calculations but are
4 mainly Peak Demand, Average Peak Demand, and Energy. System Load
5 Factor has a significant effect on the average cost of energy in any given
6 month similar to the cost of PNM NITS service.

7 **Q. HOW DO THESE RATE STRUCTURES COMPARE WITH THE RATE**
8 **STRUCTURE UNDER WHICH KCEC HAS BEEN RECEIVING IT'S**
9 **POWER SUPPLY SINCE THE LAST TIME KCEC REQUESTED**
10 **CONTINUATION OF IT'S FPPCAC?**

11 **A.** First, under the original Guzman PSA, KCEC's energy rate was fixed for each
12 contract year. That arrangement required KCEC to adjust the retail energy rate
13 to collect the appropriate energy cost for each period. Under the current Guzman
14 PSA the contract energy rate is fixed at one price through June 30, 2026 and then
15 set to another price for the remaining term of the agreement, through June 30,
16 2040.

17 Second, KCEC had solar generation capacity in 2020 but has added a significant
18 amount of solar generation capacity under multiple Solar PPA's. Solar
19 generation fluctuates on a monthly basis and will contribute significantly to the
20 fluctuation in the average cost of KCEC's energy supply on a monthly/seasonal
21 basis.

DIRECT TESTIMONY AND ATTACHMENTS OF
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NMPRC CASE NO. 25-00032-UT

1 Finally, KCEC did not have any BESS ESA's at the time of the last request for
2 continuation of its FPPCAC.

3 **Q. DOES SYSTEM LOAD FACTOR AFFECT THE AVERAGE COST OF**
4 **POWER UNDER KCEC'S CURRENT POWER SUPPLY**
5 **ARRANGEMENTS?**

6 A. The average cost effect of System Load factor is not as significant under the
7 current power supply arrangements however, the BESS ESA's will contribute to
8 the cost variability due to the structure of the ESA's fixed capacity payments.
9 Since transmission service costs are peak demand based and KCEC's system peak
10 loads have high seasonal variability, average monthly transmission cost
11 contribution will continue to fluctuate monthly.

12 **Q. DO THE VARIOUS POWER SUPPLIES CONTRIBUTE TO THE**
13 **FLUCTUATIONS IN POWER SUPPLY COSTS?**

14 A. Yes. Each power supply contract provides energy deliveries at different contract
15 energy rates and each resource will deliver different monthly quantities of energy
16 to serve the KCEC system load requirements. Each of these components will
17 contribute to the monthly weighted average cost of power. Under this resource
18 portfolio the contribution to the weighted average will be determined by the
19 volume of energy provided by each resource and the corresponding cost of each
20 resource component in the portfolio.

DIRECT TESTIMONY AND ATTACHMENTS OF
EDWIN REYES, JR.
NMPRC CASE NO. 25-00032-UT

1 Table 2

2 **Solar Energy as a Percentage of Total Energy**

3		Total Energy (MWh)	Solar Energy (MWh)	Solar %
4	Jan-24	37,025,076	4,420,076	11.9%
5	Feb-24	31,360,490	5,017,490	16.0%
6	Mar-24	30,281,857	6,662,857	22.0%
7	Apr-24	23,709,181	8,750,181	36.9%
8	May-24	22,098,601	8,643,601	39.1%
9	Jun-24	21,402,051	8,628,051	40.3%
10	Jul-24	23,002,282	8,944,282	38.9%
11	Aug-24	22,693,925	7,942,925	35.0%
12	Sep-24	20,512,015	7,558,015	36.8%
13	Oct-24	22,845,371	6,746,371	29.5%
14	Nov-24	31,616,522	4,846,522	15.3%
15	Dec-24	36,219,044	4,983,044	13.8%

16

17 The table shows that solar energy makes up between 11.9% and 40.3% of the
18 total energy provided to KCEC customers in 2024. As KCEC has implemented
19 its plan to provide 100% daytime solar in the summer months the amount of solar
20 energy serving KCEC customers has increased, which contributes to significant
21 variability in the average cost of power in any given month.

DIRECT TESTIMONY AND ATTACHMENTS OF
EDWIN REYES, JR.
NMPRC CASE NO. 25-00032-UT

1

Table 3

2

KCEC Average Monthly Transmission Cost (\$/MWh)

3

	PNM	TSGT	Combined Total
--	-----	------	----------------

4

Jan-24	\$0.00576	\$0.00667	\$0.01243
--------	-----------	-----------	-----------

5

Feb-24	\$0.00538	\$0.00790	\$0.01328
--------	-----------	-----------	-----------

6

Mar-24	\$0.00511	\$0.00815	\$0.01326
--------	-----------	-----------	-----------

7

Apr-24	\$0.00655	\$0.01035	\$0.01690
--------	-----------	-----------	-----------

8

May-24	\$0.00689	\$0.01046	\$0.01735
--------	-----------	-----------	-----------

9

Jun-24	\$0.00876	\$0.01094	\$0.01970
--------	-----------	-----------	-----------

10

Jul-24	\$0.00862	\$0.01028	\$0.01889
--------	-----------	-----------	-----------

11

Aug-24	\$0.00869	\$0.01069	\$0.01937
--------	-----------	-----------	-----------

12

Sep-24	\$0.00927	\$0.01194	\$0.02121
--------	-----------	-----------	-----------

13

Oct-24	\$0.00853	\$0.01071	\$0.01923
--------	-----------	-----------	-----------

14

Nov-24	\$0.00699	\$0.00876	\$0.01576
--------	-----------	-----------	-----------

15

Dec-24	\$0.00568	\$0.00772	\$0.01341
--------	-----------	-----------	-----------

16

The variation in monthly load factors and solar generation drives the need to

17

adjust energy rates by \$0.00878/kWh to compensate for the cost of transmission

18

from the low cost month (January) to the costliest month (September).

19

Q. CAN KCEC MAKE OPERATIONAL OR SYSTEM CONFIGURATION

20

CHANGES TO REDUCE THE COST OF TRANSMISSION SERVICE?

DIRECT TESTIMONY AND ATTACHMENTS OF
EDWIN REYES, JR.
NMPRC CASE NO. 25-00032-UT

1 A. Not really. KCEC has made efforts to build or acquire new transmission
2 infrastructure, and those efforts are ongoing. A new transmission service line that
3 would allow KCEC to by-pass TSGT transmission would be expected to lower
4 the overall cost of transmission service for KCEC customers. KCEC also
5 participates in the annual FERC OATT Formula Rate filings for PNM and TSGT.
6 However, KCEC, along with other transmission customers of PNM and TSGT,
7 have been unsuccessful at securing lower rates for tariffed transmission service.

8 V. **BASE COST OF PURCHASED POWER (“Base COPP”)**

9 Q. **WHEN WAS KCEC’S BASE COPP LAST SET?**

10 A. KCEC’s Base COPP was last set in April 2016 through the Final Order in Case
11 No. 16-00065-UT (“2016 Order”). The Base COPP was unchanged following
12 the Final Order in NMPRC Case No. 20-00089-UT. The Base COPP currently in
13 effect is \$0.081517/kWh.

14 Q. **IS THE CURRENT BASE COPP APPROPRIATE FOR THE PERIOD IN**
15 **WHICH THIS FPPCAC APPLICATION WILL BE IN EFFECT?**

16 A. Yes. The current Base COPP reflected an average cost of power that was driven
17 in by the rates under KCEC’s wholesale power supply from TSGT. KCEC’s
18 current power supply portfolio includes numerous PPA’s that provide significant
19 renewable energy as well as capacity from battery storage. The renewable energy
20 supply comes from PPA’s dating back to 2009 as well as newer resources that

DIRECT TESTIMONY AND ATTACHMENTS OF
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1 began serving KCEC load in 2023. The most recent resource additions are the
2 largest in the portfolio and include battery energy storage. The BESS ESA's are
3 structured with a fixed monthly capacity charge, which increases the average cost
4 of power for the portfolio as a whole and contributes to the seasonal variability
5 in the cost of KCEC's power supply. The pricing for energy under the various
6 contracts is primarily energy based but the transmission services are primarily
7 demand based and have increased since the last request for continuation of the
8 FPPCAC. Collectively, these resource costs have resulted in a median average
9 COPP at \$0.08897/kWh. Given the small change in the median average COPP,
10 a change in the Base COPP is not included in this application.

11 **Q. HAS KCEC'S AVERAGE COPP CHANGED SINCE THE LAST**
12 **REQUEST FOR CONTINUATION OF THE FPPCAC?**

13 A. Yes. KCEC has calculated the average costs of purchased power for the preceding
14 twelve (12) months and there was only a nominal change in the annual average
15 COPP. The average COPP for the past twelve (12) months is \$0.08451/kWh and
16 ranges from a low of \$0.06483/kWh to a high of \$0.09794/kWh. Table 4 shows
17 the Cost of Power for the calendar year 2024.

18 *(Continued on Next Page)*

19

20

DIRECT TESTIMONY AND ATTACHMENTS OF
EDWIN REYES, JR.
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1 Table 4

	Cost of Power Incl System Losses			
	(\$/kWh)			
2	Jan-24	\$0.06483	Jul-24	\$0.09117
3	Feb-24	\$0.07687	Aug-24	\$0.08676
4	Mar-24	\$0.08183	Sep-24	\$0.09285
5	Apr-24	\$0.09203	Oct-24	\$0.09562
6	May-24	\$0.09794	Nov-24	\$0.07536
7	Jun-24	\$0.09182	Dec-24	\$0.08669
8	Mean	\$0.08451		
9	Median	\$0.08897		
10				
11				
12				

13 **Q. DO YOU RECOMMEND A RESET OF THE BASE COPP FOR KCEC**
 14 **UNDER THIS APPLICATION FOR CONTINUATION OF THE**
 15 **FPPCAC?**

16 A. No. The change in the average COPP for calendar year 2024 shows only a modest
 17 deviation from the Base COPP currently in effect. However, there is still the need
 18 for use of the FPPCAC due to the month-to-month variability in the average cost
 19 of purchased power.

20 **Q. HOW DO THE COST COMPONENTS OF THE DELIVERED COST OF**
 21 **ENERGY CONTRIBUTE TO THE MONTHLY VARIABILITY?**

22 A. Even though the price of most components of the power supply are fixed, the
 23 monthly average fluctuates on a monthly basis due to the price and quantity of
 24 energy each resource contributes to the average in any given month. Load factor,
 25 peak demand and energy volume also drive the cost of transmission service and

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1 are all variables that influence the average cost of the power supply components.
2 Table 5 below shows the range of the monthly cost of the main components in
3 the delivered cost of energy over the previous twelve-month period.

4 Table 5

5 **Weighted Component Cost of Power (\$/KWh)**

6	7 <u>Minimum</u>	8 <u>Maximum</u>
9 Guzman PSA	10 \$0.0474	11 \$0.0474
12 Solar	13 \$0.0865	14 \$0.1321
15 TSGT Transmission	16 \$0.00667	17 \$0.01194
18 PNM Transmission	19 \$0.00511	20 \$0.00927

12 **Q. IS THE COST OF PURCHASED POWER A SIGNIFICANT**
13 **COMPONENET OF THE AVERAGE COST OF ENERGY FOR ALL THE**
14 **KCEC CONSUMERS?**

15 A. Yes. On an annual average basis, energy makes up between forty one percent
16 (41%) and eighty percent (80%) of the average rate depending on the customer
17 class. The rate specific percentage of energy in each rate class is shown in
18 Attachment ER-1. The FPPCAC allows KCEC to collect the necessary revenues
19 to cover the costs of purchased power in a timely manner.

20

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1 **VI. THE PRPOER ADJUSTMENT PERIOD AND RECOMMENDATIONS**

2 **Q. IS THE CURRENT MONTHLY ADJUSTMENT PERIOD**
3 **APPROPRIATE FOR KCEC'S FPPCAC REQUEST?**

4 A. Yes. The variations in KCEC's cost of power are driven by seasonal fluctuations
5 in customer load, solar energy generated and purchased, and transmission costs.
6 These independent variables fluctuate on a monthly basis and timely collection
7 should be allowed for KCEC to manage its finances.

8 **Q. GIVEN YOUR REVIEW AND FINDINGS, WHAT DO YOU**
9 **RECOMMEND?**

10 A. I recommend the Commission allow KCEC to continue the use of the FPPCAC.
11 In addition, I recommend a monthly adjustment period to allow for the timely
12 collection of costs incurred for the provision of electric power to KCEC
13 customers at the lowest reasonable cost. Finally, I recommend that the Base Cost
14 of Purchased Power Remain at \$0.081517/kWh.

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16 A. Yes, it does.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF KIT CARSON COOPERATIVE)
 INC.'S APPLICATION FOR CONTINUATION OF ITS)
FUEL AND PURCHASED POWER COST ADJUSTMENT) Docket No. 25-00032-UT**

SELF AFFIRMATION

On this 27 day of June, 2025, I, Edwin Reyes, Jr., swear and affirm under penalty of perjury under the laws of the State of New Mexico, that my testimony contained in the Prepared Direct Testimony and Attachments of Edwin Reyes, Jr. is true and correct.

/s/ Edwin Reyes, Jr.

 EDWIN REYES, JR.

ATTACHMENT NO. ER-1

TO

EXHIBIT D

**Prepared Direct Testimony and Attachments of
Edwin Reyes, Jr.**

TO

**APPLICATION OF KIT CARSON ELECTRIC
COOPERATIVE, INC. FOR CONTINUATION OF ITS
FUEL AND PURCHASED POWER COST ADJUSTMENT
CLAUSE**

**Attachment ER-1
Average Energy Rates (\$/kWh)**

	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Total	Avg/Mo
Energy Sales (kWh)														
Res	13,205,467	13,812,127	12,149,829	10,791,968	9,250,623	8,220,221	7,333,406	7,763,575	7,590,856	6,726,692	8,108,337	10,800,860	115,753,961	9,646,163
Sea	4,331,586	5,506,639	4,349,115	3,954,480	3,121,489	2,544,266	2,244,332	2,553,556	2,416,598	2,227,142	2,471,236	3,416,466	39,136,905	3,261,409
S.Comm	5,582,826	5,679,466	5,269,240	4,802,497	4,411,906	4,045,051	4,011,776	4,411,273	4,443,303	3,845,774	3,827,165	4,627,756	54,958,033	4,579,836
L.Comm	8,100,547	6,258,121	5,840,796	5,982,350	5,116,463	5,205,310	4,572,620	5,061,793	5,829,274	4,823,265	5,697,182	6,552,043	69,039,764	5,753,314
St. Light	67,430	67,611	68,177	68,500	67,832	68,050	67,537	67,840	67,826	68,002	67,957	68,741	815,503	67,959
Chevron Mine	694,470	737,397	671,123	726,121	672,282	671,304	581,840	598,059	608,465	559,966	604,268	693,721	7,819,016	651,585
Total (kWh)	31,982,326	32,061,361	28,348,280	26,325,916	22,640,595	20,754,202	18,811,511	20,456,096	20,956,322	18,250,841	20,776,145	26,159,587	287,523,182	23,960,265

	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Total	Avg/Mo
Sales Revenue (\$)														
Res	2,378,172	1,779,059	1,329,467	1,305,923	1,458,548	1,404,894	1,385,327	1,428,159	1,489,777	1,686,894	2,253,887	2,064,273	19,964,380	1,663,698
Sea	859,496	760,758	537,261	547,972	556,218	509,897	501,078	531,278	541,443	649,392	742,420	686,597	7,423,812	618,651
S.Comm	999,772	721,469	570,529	577,880	667,512	665,525	713,079	743,010	775,300	854,368	874,317	801,298	8,964,060	747,005
L.Comm	1,312,997	714,570	551,939	574,522	708,017	774,453	804,012	804,533	956,721	850,404	1,217,500	1,099,155	10,368,822	864,069
St. Light	13,025	9,567	8,099	8,786	10,625	11,334	12,143	11,733	12,536	12,370	12,143	12,395	134,755	11,230
Chevron Mine	90,683	51,143	32,866	40,189	59,139	65,973	65,317	64,124	72,358	66,177	69,616	78,019	755,604	62,967
Total (\$)	5,654,145	4,036,565	3,030,161	3,055,272	3,460,059	3,432,077	3,480,957	3,582,837	3,848,135	4,119,605	5,169,883	4,741,738	47,611,433	3,967,619

	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Total	Avg/Mo
No. of Consumers														
Res	18,387	18,318	18,360	18,226	18,255	18,215	18,211	18,204	18,209	17,706	18,184	18,173		18,204
Sea	7,446	7,459	7,516	7,594	7,665	7,729	7,839	7,869	7,888	7,869	7,963	7,924		7,730
S.Comm	4,294	4,289	4,319	4,306	4,301	4,335	4,351	4,364	4,370	4,274	4,386	4,380		4,331
L.Comm	305	306	303	300	301	302	299	303	305	305	306	306		303
St. Light	20	21	21	22	22	22	22	22	23	23	23	23		22
Chevron Mine	1	1	1	1	1	1	1	1	1	1	1	1		1
Total Consumers	30,453	30,394	30,520	30,449	30,545	30,604	30,723	30,763	30,796	30,178	30,863	30,807		30,591

	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Total	Avg/Mo
Consumers' Average Energy Use (kWh)														
Res	718	754	662	592	507	451	403	426	417	380	446	594		529
Sea	582	738	579	521	407	329	286	325	306	283	310	431		425
S.Comm	1,300	1,324	1,220	1,115	1,026	933	922	1,011	1,017	900	873	1,057		1,058
L.Comm	26,559	20,451	19,277	19,941	16,998	17,236	15,293	16,706	19,112	15,814	18,618	21,412		18,951
St. Light	3,372	3,220	3,247	3,114	3,083	3,093	3,070	3,084	2,949	2,957	2,955	2,989		3,094
Chevron Mine	694,470	737,397	671,123	726,121	672,282	671,304	581,840	598,059	608,465	559,966	604,268	693,721		651,585

	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Total	Avg/Mo
Average Energy Rate (\$/kWh)														
Res	\$ 0.1801	\$ 0.1288	\$ 0.1094	\$ 0.1210	\$ 0.1577	\$ 0.1709	\$ 0.1889	\$ 0.1840	\$ 0.1963	\$ 0.2508	\$ 0.2780	\$ 0.1911		\$ 0.1725
Sea	\$ 0.1984	\$ 0.1382	\$ 0.1235	\$ 0.1386	\$ 0.1782	\$ 0.2004	\$ 0.2233	\$ 0.2081	\$ 0.2241	\$ 0.2916	\$ 0.3004	\$ 0.2010		\$ 0.1897
S.Comm	\$ 0.1791	\$ 0.1270	\$ 0.1083	\$ 0.1203	\$ 0.1513	\$ 0.1645	\$ 0.1777	\$ 0.1684	\$ 0.1745	\$ 0.2222	\$ 0.2285	\$ 0.1732		\$ 0.1631
L.Comm	\$ 0.1621	\$ 0.1142	\$ 0.0945	\$ 0.0960	\$ 0.1384	\$ 0.1488	\$ 0.1758	\$ 0.1589	\$ 0.1641	\$ 0.1763	\$ 0.2137	\$ 0.1678		\$ 0.1502
St. Light	\$ 0.1932	\$ 0.1415	\$ 0.1188	\$ 0.1283	\$ 0.1566	\$ 0.1666	\$ 0.1798	\$ 0.1730	\$ 0.1848	\$ 0.1819	\$ 0.1787	\$ 0.1803		\$ 0.1652
Chevron Mine	\$ 0.1306	\$ 0.0694	\$ 0.0490	\$ 0.0553	\$ 0.0880	\$ 0.0983	\$ 0.1123	\$ 0.1072	\$ 0.1189	\$ 0.1182	\$ 0.1152	\$ 0.1125		\$ 0.0966

	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Total	Avg/Mo
% of Energy in Total Rate (%)														
Res	33.12%	54.90%	68.80%	69.97%	57.15%	49.43%	44.40%	43.39%	43.53%	35.08%	24.94%	41.73%		45.08%
Sea	30.06%	51.19%	60.94%	61.10%	50.57%	42.15%	37.57%	38.37%	38.13%	30.17%	23.08%	39.69%		40.99%
S.Comm	33.30%	55.67%	69.53%	70.37%	59.56%	51.35%	47.19%	47.39%	48.96%	39.60%	30.35%	46.06%		47.67%
L.Comm	36.80%	61.93%	79.67%	88.17%	65.12%	56.78%	47.70%	49.22%	52.05%	49.90%	32.44%	47.54%		51.77%
St. Light	30.88%	49.98%	63.38%	66.02%	57.53%	50.72%	46.65%	46.15%	46.22%	48.36%	38.80%	44.23%		47.05%
Chevron Mine	45.67%	101.96%	153.73%	152.98%	102.43%	85.96%	74.72%	74.45%	71.84%	74.44%	60.18%	70.92%		80.46%

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF KIT CARSON COOPERATIVE)
INC.'S APPLICATION FOR CONTINUATION OF ITS)
FUEL AND PURCHASED POWER COST ADJUSTMENT) Docket No. 25-00032-UT

CERTIFICATE OF SERVICE

I hereby certify that on **June 27, 2025**, a true and correct copy of the *Application of Kit Carson Electric Cooperative, Inc. for Continuation of Its Fuel and Purchased Power Cost Adjustment Clause* (and exhibits) was served via electronic mail where applicable and via regular U.S. mail to the parties and intervenors listed below:

PARTIES ENTITLED TO NOTICE	
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RESPECTFULLY SUBMITTED,

CUDDY & MCCARTHY, LLP

/s/ Charles V. Garcia

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