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October 29, 2019

HAND – DELIVERED

Melanie Sandoval
Record Bureau Chief
New Mexico Public Regulations Commission
1120 Paseo de Peralta
Santa Fe, NM 87501

FILED IN OFFICE OF

OCT 29 2019

NM PUBLIC REGULATION COMM
RECORDS MANAGEMENT BUREAU

Central New Mexico Electric Cooperative, Inc.'s
Advice Notice No. 67

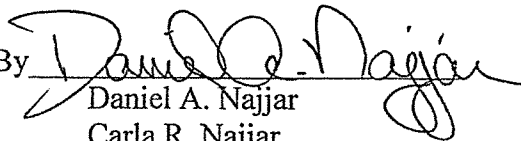
Dear Ms. Sandoval:

On behalf of our client Central New Mexico Electric Cooperative, Inc., (“CNMEC”) we enclose for filing with the New Mexico Public Regulation Commission pursuant to Rule 17.1.210 NMAC an original and five copies (plus a sixth copy for conforming for our records) of CNMEC’s Advice Notice No. 67

Please review and contact me at your earliest convenience with any questions or comments.

Respectfully submitted,

VIRTUE & NAJJAR, PC

By 

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CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC.

ADVICE NOTICE NO. 67

DATE: October 29, 2019

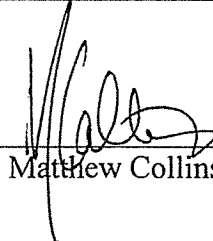
**NEW MEXICO PUBLIC REGULATION COMMISSION
OF THE STATE OF NEW MEXICO**

Central New Mexico Electric Cooperative, Inc. hereby gives notice to the public and to the Commission of the filing and publishing of the following forms which are attached hereto:

FILED IN OFFICE OF
OCT 29 2019
NEW MEXICO PUBLIC REGULATION COMMISSION
RECORDS MANAGEMENT DIVISION

<u>Rule No.</u>	<u>Title of Sheet</u>	<u>Cancelling</u>	<u>Date Effective</u>
3 rd Revised Rule No. 14	Line and Service Extension Policy	2 nd Revised	11/29/19

Central New Mexico Electric Cooperative, Inc.



Matthew Collins, General Manager

CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC.
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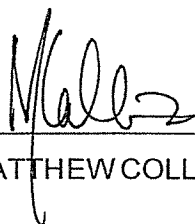
OCT 29 2019

NM PUBLIC REGULATION COMM
RECORDS MANAGEMENT BUREAU

RULE NO.	TITLE OF SHEET
1.	Original Rule No. 1 - Definitions
2.	Original Rule No. 2 - Utility Service Area
3.	Original Rule No. 3 - Utility Responsibility
4.	Original Rule No. 4 - Consumer Responsibilities
5.	Original Rule No. 5 - Contracts
6.	1st Revised Rule No. 6 - Utility Electric Code
7.	Original Rule No. 7 - Rate Administration
8.	Original Rule No. 8 - Characteristics of Electric Service
9.	Original Rule No. 9 - Types of Electric Service
10.	Original Rule No. 10 - Meter Administration
11.	Original Rule No. 11 - Rendering and Payments of Bills
12.	Original Rule No. 12 - Discontinuance and Restoration of Service
13.	Original Rule No. 13 - Discontinuance of Service to Residential Customers for Non-Payment of Utility Charges
14.	3 rd Revised Rule No. 14 - Line and Service Extension Policy
15.	Original Rule No. 15 - Disputed Bills
16.	Original Rule No. 16 - Manner of Serving Notice to Consumer
17.	Original Rule No. 17 - Deposits
18.	Original Rule No. 18 - Budget Payment Plan
19.	Original Rule No. 19 - Estimated Bills
20.	Original Rule No. 20 - Discontinuance of Service to Seriously Ill Persons

X

ADVICE NOTICE NO. 67



MATTHEW COLLINS, General Manager

CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC
 THIRD REVISED RULE NO. 14
 CANCELLING SECOND REVISED RULE NO. 14
 LINE AND SERVICE EXTENSION POLICY

I. POLICY STATEMENT:


- A. To provide a fair and consistent method of extending, upgrading, downgrading and retiring power lines and other service facilities within the Central New Mexico Electric Cooperative, Inc. (CNMEC) service area.
- B. To encourage the rural development of the territory served by CNMEC by providing electric service to Members within the area as economically as feasible.
- C. To make electric service available in the CNMEC service territory to all those who desire it at reasonable rates consistent with sound business practices. Construction costs include, but are not limited to materials, direct and indirect labor costs, overheads, stores, transportation costs, etc. as may be routinely applied to all construction activities.

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A. Definitions

Active Service: A service (either permanent or temporary) to which the Cooperative is currently capable of delivering electric energy to a Member.

Applicant: A person who requests electric service or the extension of electric utility facilities.

Area Light: An un-metered exterior light fixture installed on CNMEC facilities and maintained by the Cooperative.

Backbone Line: A primary voltage distribution line where other distribution taps and/or services can be provided.

Commercial Service: Electric service other than residential, or irrigation, where the primary end use is for commerce, or for service to any structure containing multiple dwelling units when supplied through one meter.

Construction Cost: The cost of constructing a line extension, service upgrade or retirement of an existing line extension or service.

Construction Temporary Service: Commonly referred to as "construction service or temporary service." Secondary cabling and metering facilities installed in a non-permanent fashion to provide power for construction of a structure that will have the permanent service entrance in a different location upon completion. It may reasonably be expected to be removed within 12 months of installation or be subject to disconnection by CNMEC.

Construction Year: January 1st to December 31st of the current year.

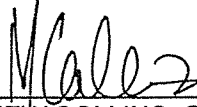
Contribution-in-Aid of Construction (CIAC): The applicant share of the cost of making additions or modifications to electric distribution facilities. CIAC is payable as a condition prior to installing facilities which are the property of the Cooperative.

CT Metering or CT Service: Utility metering that measures and monitors the levels of electrical usage proportionally by using current transformers (CT's) typically used for services in excess of 400 amperes.

Electric Service: The availability of electric energy at the point of delivery for use by a Member, irrespective of whether electric energy is actually used.

End Use: The Member's ultimate use of electricity.

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A. **Definitions:** (continued)

Engineering: Engineering includes the preparation of electric layouts, designs, specifications, and other drawings and lists associated with electric construction. It also includes, but is not limited to, making construction quotes, inspecting construction for conformance with design criteria and specifications, staking, right-of-way acquisition, and similar and related activities necessary to the technical planning and installation of electric distribution facilities.

Engineering Deposit or Fee: A nonrefundable payment made to the Cooperative to cover a portion of the costs incurred in preparing a line extension, service upgrade or retirement estimate.

Idle Service: A permanent service to which the Cooperative is capable of delivering electric energy to a Member, but that has not been used for a long period of time. Idle services are eligible for retirement, as outlined in this policy or can be allowed to remain in accordance with NRS (Not Receiving Service) fees.

Line Extension: Installation of CNMEC electric distribution facilities, which have been constructed by or on behalf of the Cooperative, for the purpose of providing electric service to a location, at which such service was not available prior to the completion of such construction.

Meter Base or Meter Loop: Facilities located on the secondary side of a transformer with provisions for a utility meter to monitor and record the electrical usage of a facility or premises. Meter bases are to be located on customer owned poles, pedestals or facilities.

Mobile Home: A detached single-family dwelling designed for long-term human habitation, having complete living facilities, constructed and fabricated into a complete unit at a factory, and capable of being transported to the location of use on its own chassis and wheels.

Mobile Home Court: Any property in the same ownership, which is utilized for occupancy by more than two mobile homes, but not including tourist facilities for motor homes, campers or travel trailers.

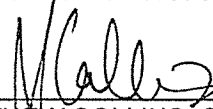
NRS (Not Receiving Service) fees: An ongoing monthly or annual payment made to the Cooperative for retaining a service or line extension that is idle. This fee would be paid by a member who does not want to risk having the idle service removed.

Permanent Service: Member's facilities constructed at a given location in such a manner that they may be reasonably expected to remain for the useful service life of the Cooperative's electrical facilities constructed for that service.

Point of delivery: The location where the Cooperative terminates its equipment or conductors and at which the Member assumes responsibility for construction and maintenance of the electrical facilities.

Primary Voltage: The voltage at the high voltage side of a distribution transformer.

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A. Definitions: (continued)

R.V. Park: Any property which is developed pursuant to a common plan or scheme for the purpose of occupancy primarily by more than two recreational vehicles.

Residential Service: Electric service supplied to a single family dwelling or to a location owned or rented by an individual where the end use of the service is primarily for the domestic heating, cooking, lighting, or recreational purposes of the inhabitants of the dwelling or of the individual.

Secondary Voltage: The voltage at the low voltage side of a distribution transformer.

Service: The conductors and equipment for delivering energy from the electricity supply system to the wiring system of the premises served, or the furnishing of energy to the premises.

Service Entrance: The equipment installed between the utility's service drop, or lateral, and the customer's conductors. Typically consists of the meter used for billing, switches and/or circuit breakers and/or fuses, and a metal housing.

Service Upgrade: Capacity increases of CNMEC electric distribution facilities which have been constructed by or on behalf of the Cooperative for the purpose of providing electric service to a location at which existing service is currently available.

Small Service: Services other than residential, commercial, or irrigation. For example; wells (stock or domestic), signs, garages, gates, barns, etc.

Subdivision or Development: A tract or parcel of land divided into two or more lots, sites, or other divisions.

Temporary Power: Service to a facility that will be removed after a known, specified period of time.

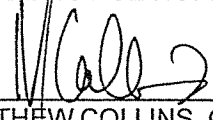
B. General Provisions

CNMEC reserves the right to refuse service to any load or location determined to be detrimental to the Cooperative's distribution and/or transmission system. This determination will be made at the sole discretion of the Cooperative.

C. Rate Classification, Service Size, Standard Voltages and Phasing

The Cooperative shall select the appropriate rate class based on the end use and nature of that service. Each member is responsible for determination of service voltage, capacity, phase, and other characteristics that best suit the requirements for the end use intended.

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C. Rate Classification, Service Size, Standard Voltages and Phasing (continued)

The following are standard voltages and capacities offered by CNMEC:

Phasing	Service Voltage	Capacity (Amperes)
Single-phase	120/240 V	200 ¹ or 400
Three-phase	120/208 V Four wire grounded wye	As required by service.
Three-phase	120/240 V Four wire grounded delta	As required by service.
Three-phase	277/480 V Four wire grounded wye	As required by service.

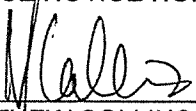
1. Service other than standard secondary voltages may be provided by special request to the Cooperative. It will be the responsibility of the member to pay for special equipment needed to supply non-standard secondary voltages or regulate voltages closer than standard service provides.
2. Any service different from the above will require an engineering review and a special service agreement with the applicant under terms that may materially differ from this policy.
3. Line extensions to serve large irrigation, large commercial and industrial facilities will require an administrative review and a special service agreement with the applicant.
4. The point at which CNMEC will connect the new extension to existing facilities is the sole responsibility of CNMEC and will be based on CNMEC's engineering design practices.

D. Ownership of Primary and Secondary Facilities

All primary distribution facilities (transformers, poles, cables, conductor, etc.) will remain the property of CNMEC, even though the applicant may make a financial contribution towards the construction costs. Conduit and/or vaults required for the construction of primary power line facilities, which are purchased and installed by the applicant, will become the property and responsibility of CNMEC upon completion of the line extension project.

¹ CNMEC's standard single-phase service size is 200 amperes. Services requiring less than 200 amperes may be connected but will fall under the 200 ampere service requirements and rate class.

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D. Ownership of Primary and Secondary Facilities (continued)

The following criterion outlines the ownership and responsibility relationship between CNMEC and its members in regard to the secondary electrical distribution facilities:

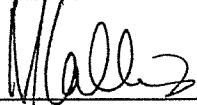
Application	Installation	Secondary Conductor, Conduit and Equipment ²	Ownership and Responsibility
Single-phase residential or small commercial service (200 or 400 ampere direct meter). Meter base on customer owned pedestal or pole.	Meter base, on pedestal or customer owned pole, installed by customer.	Conductor and/or conduit from the transformer to meter base provided by CNMEC, paid for as provided herein. Conductor and/or conduit to load center by member ³ .	<ul style="list-style-type: none"> • CNMEC owns and maintains facilities up to and including meter. • All facilities past meter base (including meter base) are the responsibility of the member.
Single-phase residential or small commercial service (200 or 400 ampere direct meter). Meter base on building or structure. Three-phase service (200 ampere direct meter).	Meter base, mast and/or conduit stub by customer.	<ul style="list-style-type: none"> • Conduit from transformer to meter base by customer. • Conductor by CNMEC, paid for as provided herein, installed by CNMEC. • Conductor and/or conduit to service entrance by member. • Main Breaker or disconnect switch provided by member directly under meter base on the outside of building. 	<ul style="list-style-type: none"> • CNMEC assumes ownership and maintains conductor and underground conduit up to, but not including, the meter base and conduit stub. • Member owns and maintains meter base, mast/stub-in. • All facilities past meter base are the responsibility of the member.
Single-phase or three-phase CT services.	CNMEC installs CT metering equipment at CT box or other location as determined by CNMEC Engineering Department.	<ul style="list-style-type: none"> • Member provides conductor and conduit sized as necessary to serve load. • Conduit and conductor to run from transformer site to CT box at load center. • Member to install CT metering equipment at CT box⁴. • Member provides main disconnect switch near CT metering on outside of building. 	<ul style="list-style-type: none"> • Member retains all ownership and responsibility of secondary conductors and conduit.

² All equipment provided by member or authorized contractor to conform to the National Electric Safety Code (NESC) or National Electric Code (NEC).

³ Or authorized contractor.

⁴ Or other location as predetermined by CNMEC Engineering Department.

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D. Ownership of Primary and Secondary Facilities (continued)

Any other secondary facility scenario not outlined above is to be approved by the CNMEC Engineering Department *at the time of application*.

Meter bases **will not** be attached to any mobile home, or temporary structure in the Cooperative's service area except in accordance with Mobile Home Division of NM policies and state requirements.

Meter bases will not be attached to any CNMEC pole or structure.

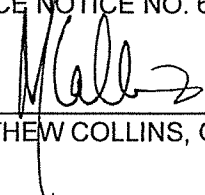
The point of delivery for overhead services shall be arranged so that the Cooperative's conductors can be readily attached and secured. The member will be required to provide equipment for securing risers (guyed attachments, supports, etc.) and attaching such equipment to building supports such that adequate strength and height will be provided to support the Cooperative's conductors and maintain adequate clearances.

E. Application and Engineering Deposit

At the time a line extension, relocation and/or an upgrade project is requested, a completed line extension application and engineering deposit must be submitted to CNMEC.

Applications for service and line extension agreements must be signed by the legal property owner, the authorized project representative or the lessee of State, Federal or Municipal properties. Lessee/Renters on private property may sign only with the consent of the owner evidenced in writing. Proof of ownership including a Title Report or Warranty Deed may be required of any applicant prior to the Cooperative accepting an easement for construction.

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E. Application and Engineering Deposit (continued)

The engineering deposit amounts are as follows:

Line Extension Type	Deposit Amount
Single-Phase Residential, Small Service or Small Commercial (0 - 25 kVA)	\$150
Single-Phase (>25 kVA - 150 kVA), Three-Phase (>15 - 450 kVA)	\$500
Three-phase (500 kVA and above)	As determined by CNMEC Engineering Department
Developments (Single or Three-Phase)	\$200/Lot

The engineering deposit will be applied toward the contribution-in-aid of construction costs at the time the line extension project is approved, and the cost estimate signed by the applicant. CNMEC reserves the right to request additional engineering funds above the set deposit amount if the project costs significantly increase due to multiple design changes, unforeseen difficulties, legal conflicts, etc. This determination is to be made solely at the discretion of CNMEC and is due at the time of determination of need or progress on the project will cease until remedied.

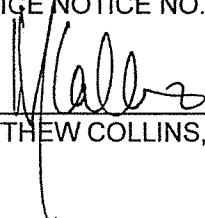
In the event the applicant cancels the line extension project, or the project is inactive for longer than six (6) months from the date of original application, CNMEC will close the work order. The engineering fee would be forfeited and another engineering fee would be required should the application be reinstated.

CNMEC reserves the right to determine the status of line extension projects. It is the responsibility of the applicant to keep CNMEC informed about the project status (active, inactive, on hold, etc.). If the applicant requests that the project be held open longer than the six (6) month timeframe mentioned above, the CNMEC Engineering Department may request additional engineering deposit funds to hold the project. Active, ongoing projects may be allowed to exceed the six (6) month time allowance if applicant can demonstrate that the project is still moving forward.

F. Field Survey, Design and Cost Estimate

Upon receiving a completed line extension application and Engineering Deposit, CNMEC will meet with the applicant or designated representative for a field survey. The CNMEC representative will determine the appropriate line extension design in conjunction with the applicant and stake the project if applicable. Subsequent field visits and design may be required as deemed necessary by the CNMEC Engineering Department.

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F. Field Survey, Design and Cost Estimate (continued)

Once the design has been finalized and agreed upon by the applicant and CNMEC, CNMEC will develop a cost estimate for the project based upon the current year construction prices, as annually approved by CNMEC Board of Directors, less any credits.

The net cost estimate will be a contribution-in-aid to construction (CIAC)⁵ by the applicant and is required in full, as payment to CNMEC, along with any other applicable paperwork, prior to scheduling construction of the project.

If line extensions are to be constructed in difficult or unforeseen conditions (rocky areas, etc.), CNMEC may require the applicant to bear additional costs, for example blasting, bedding material, etc.⁶ CNMEC will work with the applicant to help explain the situation but reserves the right to require these additional funds prior to continuing construction. CNMEC bears the sole discretion to determine what will be required of the applicant and will explain the issues accordingly.

In certain instances, CNMEC may include additional facilities in the project design that will benefit future projects. The costs for these additional facilities will not be the responsibility of the applicant.

If a group of applicants plan to split the cost of a line extension, a cost quote will be provided to the group showing the amount of contribution-in-aid-of-construction that is to be shared by that group. If requested by the group, the total cost estimate can be split into individual cost summaries, however, additional engineering deposit fees may be assessed for this cost division. Otherwise, it is the responsibility of the group to determine each participant's share of the contribution-in-aid-of-construction. All payments must be made by the individual applicants.

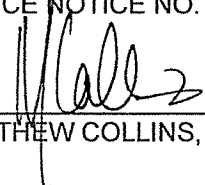
G. URD Installations

All excavations needed for underground installations are to be performed by the applicant or the applicant's contractor and as such the applicant will bear responsibility for correct location within easements. The minimum cover over the buried facilities being forty-two (42) inches at all times. The Cooperative, at its discretion, may require the customer to have the utility easement surveyed such that the route of the line extension is clearly marked out. In addition, the customer may be asked to sign off on the proposed installation location(s) and/or route prior to installation of the electric facilities indicating that the route and/or locations are in accordance with the agreed upon easement(s).

⁵ See Section I for a detailed explanation of CIAC.

⁶ For example, provision of an open trench with conduit per CNMEC specifications, bedding material, access for wire installation, right of way trimming, etc.

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H. Line Extension Reconciliation

Once the project construction is complete, CNMEC will reconcile the total costs for the project against the amount of the estimate.⁷ CNMEC will refund to the applicant CIAC monies that have been paid which are above the actual cost of the job (materials, labor and overheads). If the actual construction expenses are within one percent ($\pm 1\%$) of the estimate, or if the difference equates to \$100 or less, then no refund will be given.

I. Contribution-In-Aid of Construction (CIAC)


CNMEC will partner in the construction costs of an approved line extension project, up to a capped amount, based upon the type of project and service type.⁸ The following table outlines the percentage CNMEC will share per service, in the construction costs with the maximum contribution amount:

Type of Service	Maximum CNMEC Contribution	
Small Service ⁹	\$6,750	X
Irrigation (Single-phase, 0 - 50 kVA) (Three-phase, 0 - 50 kVA)	\$6,750	X
Residential, Small Commercial and Public Buildings ¹⁰ (Single-phase, 0 - 50 kVA) (Three-phase, 0 - 50 kVA)	\$6,750	X
Large Irrigation, Commercial and Industrial (Single-phase, 51 kVA and above) (Three-phase, 51, kVA and above)	Determined by revenue justification calculations, approved by CNMEC Board of Trustees, governed by an Agreement for Purchase of Power	
Mobile Home Courts	\$0	
RV Parks	\$0	
Developments/Subdivisions	\$0	
Mobile Homes not set on permanent foundations	\$0	

Those line extension costs not shared by CNMEC will be the responsibility of the applicant as CIAC and are payable prior to construction.

⁷ Typical time between project completion and reconciliation is approximately two to three months. Time may vary depending upon project schedules and/or workload.
⁸ See Section I for the definition and provisions of a permanent service.
⁹ As determined by CNMEC. Examples: barns, domestic wells, shops, signs, fence chargers, etc.
¹⁰ Schools, churches, etc.

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J. Permanent Service Requirements and Cost Sharing

CNMEC will share in the construction costs as outlined in Section H for line extensions to permanent facilities and structures only. Permanent facilities are directly related to long-term improvements made to the property being served.

Permanent improvements are defined as the combination of:

- A primary residential dwelling foundation¹¹ (slab or perimeter foundation)
- A well or developed water system connection
- Septic installation or connection to sewer system

If a line extension is to a home or residence not requiring a slab, or perimeter foundation, then the permanent improvement will be defined as the combination of:

- A well or developed water system and
- A septic system
- Permanent foundation requirements as established by MHD rules

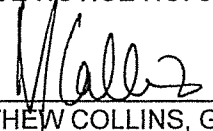
CNMEC bears the sole discretion to determine whether a project qualifies as a permanent structure. In the event there are no permanent improvements to the property being served by the line extension, as solely determined by CNMEC, the applicant will be required to pay 100% of the construction cost estimate prior to construction.

K. Service Agreements

Prior to the start of construction, CNMEC will provide a Line Extension and Supplemental Agreement, as needed, to be signed by the applicant and legal landowner. These documents outline the service location(s), the type of service and facilities being provided, CIAC responsibilities, and any other service arrangements as agreed to by the applicant and CNMEC.

¹¹ The foundation must be for a residential dwelling/home as intended in the line extension application. Accessory buildings do not apply.

ADVICE NOTICE NO. 67



MATTHEW COLLINS, General Manager

CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC
THIRD REVISED RULE NO. 14
CANCELLING SECOND REVISED RULE NO. 14
LINE AND SERVICE EXTENSION POLICY

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L. Permits and External Fees

If permits are required by an outside agency (US Forest Service, BLM, State Land Office, NMDOT, Railroad, etc. or environmental inspections and related assessments) all required fees will be in addition to the line extension costs and will be requested at the time of application or at such time that the permit costs or fees are established during the design process. These fees will not be associated with the line extension costs that are eligible for cost sharing with CNMEC as outlined in Sections H and I, thus are the full responsibility of the applicant and must be paid in full prior to energizing the project. Such fees are non-refundable.

M. Grant of Easement

For all line extension projects, CNMEC will verify Grant(s) of Easement have been accurately completed for the purpose of construction, servicing, repair, adding of circuits, and replacement of CNMEC lines necessary to provide service to the CNMEC membership and to others who enter into agreements for purchasing of power from the Cooperative or the addition of approved joint use facilities. Special cases of easement rules or constraints will be considered on a case by case basis. Easements will be required of all landowners which the line extension project encroaches upon. Easements will be recorded at the respective county courthouse by CNMEC.

CNMEC does not pay landowners for Grant(s) of Easement. Additionally, all CNMEC costs related to the acquisition of the easement(s) shall be the full responsibility of the applicant.

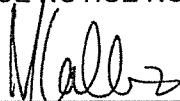
N. Right-of-Way (ROW) Clearing

Clearing of all right-of-way required for the line extension is the sole responsibility of the applicant. All right-of-way shall be cleared to meet Rural Utility Services (RUS) specifications. All RUS specifications can be found on our website, www.cnmec.org.

O. Line Extensions for Temporary Service

The applicant will be required to pay 100% of the cost to install and remove facilities that are for temporary power, prior to the start of construction. All temporary power secondary equipment (conductor, meter base and breakers, etc.) is to be provided by the consumer/member or authorized electrical contractor and is subject to State electrical inspection prior to being energized.

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P. Line Extensions for Construction of Temporary Service

When a service is installed to a temporary meter loop for the purpose of providing construction power, anticipated labor and material costs associated with the conversion of such service from temporary to permanent will be included in the estimate. There will be no additional charges at the time of conversion from temporary to permanent status. All construction service secondary equipment (conductor, meter base, breakers, etc.) is to be provided by the member or authorized electrical contractor and is subject to state electrical inspection prior to being energized.

Q. Service Upgrades

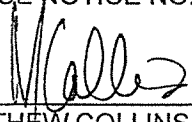
Member requested service upgrades will be considered on a case by case basis. The member will be responsible for the upgrade costs as determined by the CNMEC Engineering Department. Upon receiving a completed line extension application and engineering deposit, CNMEC will determine any applicable upgrade credits using a revenue justification model. The credits will be based upon the expected increase in kilowatt-hour revenue CNMEC estimates to receive, the age of the existing service, and/or any benefit the Cooperative may realize in upgrades. It will be the responsibility of the member or authorized contractor to provide CNMEC with the estimated increase in electrical load.

R. Service Downgrades

Member requested downgrades (reduction in service size and/or transformer capacity) will be considered on a case by case basis if there is no special service agreement in place. An engineering review is required to determine the appropriate transformer capacity needed. CNMEC, at its discretion, may remove existing transformers and replace them with the newly determined sized units.

If CNMEC deems it more beneficial to leave the existing transformers in place, the member billing may only be changed to reflect the service downgrade. In this case, if the member's monthly billing demand exceeds the transformer capacity twice in a twelve-month period, the installed transformer capacity for billing will be adjusted upward. If the member requesting downgrade, at any time in future, requests an upgrade in capacity they may be required to pay 100% of the upgrade.

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S. Change of Service

Any member requesting changes to existing Cooperative facilities, other than for service upgrades, will pay the full costs of construction as CIAC. CNMEC will determine any construction credits, as outlined in Section Q, if a service upgrade is involved.

If a member requests changes to existing Cooperative facilities, and that change will also benefit the Cooperative, then the Cooperative may share the cost of that change with the member, as determined by an engineering review.

T. Area Lights

The Cooperative will install a new area light free of charge if the light can be installed on an existing CNMEC transformer pole or lift pole and the member signs a lighting agreement.

Area lights requiring a line extension will follow the provisions herein. CNMEC **will not** install an area light that cannot be attached to an existing transformer. Area lights will follow requests for service disconnection and a new agreement will be required upon reconnection if so desired by the member.

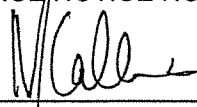
U. Line Extensions to Marine Structures

No Cooperative facilities will be mounted on marine structures.

V. Service to Motor Loads

Motors with a nameplate rating of 25 horsepower (HP) or less can be served with single-phase service. Motors rated greater than 25 HP must be served with three-phase service. The Cooperative may require the member to install reduced voltage starting equipment and/or capacitors where across-the-line starting would cause excessive voltage disturbances. The Cooperative reserves the right to waive this requirement based on an engineering study.

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MATTHEW COLLINS, General Manager

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W. Developments and Subdivisions

Developer(s) requesting a primary backbone electrical line extension(s) for a development, subdivision, or land division shall contact CNMEC requesting service to the land to be developed and shall be treated as a developer rather than an individual member.

Upon receiving a completed line extension application and Engineering Deposit, CNMEC will provide the developer with a Plan for providing service to each lot in the subdivision together with an estimated cost of installing the required electric facilities.

These electrical facilities shall be limited to the primary or secondary lines to lot corners and all necessary support structures required to provide service to the subdivision and shall not include transformers, services and other facilities for the individual lots.

The developer will be required to pay the total estimated cost of installing the primary backbone for the subdivision as a CIAC.

The full amount of the CIAC will be paid prior to the start of construction. There will be no refunds to the developer for construction.

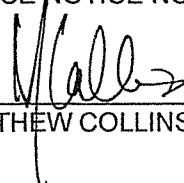
The developer shall provide CNMEC a legally dedicated final plot plan of the subdivision, with all necessary signatures, showing the boundaries, lot layout by number, streets, alleyways, easements and any other information pertinent to the development of the property.

The developer shall provide the necessary easements to allow CNMEC to provide service to each individual lot in the subdivision. These easements shall be dedicated and shown on the plot plan filed for record with the respective county, and CNMEC shall be furnished a copy of such instrument.

All costs associated with individual services to lots and facilities will require individual applications and will be calculated separately from the primary backbone facility. These costs will be the responsibility of the consumer/member and treated as individual line extensions, following the guidelines and qualifications for cost sharing as outlined herein.

There will be no refund to developer for any future extension CNMEC may build off of this primary backbone.

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X. Contractual Guarantee of Revenue

The Cooperative may require a contractual guarantee of sufficient revenues in order to obtain assurances that the Cooperative will be reimbursed for all expenses and margins associated with services involving the construction of large or specially designed installations or services requiring special or unconventional construction techniques, or where the cost of construction of a line extension exceeds the system average. Such guarantees may be provided for under an agreement for purchase of power or other special contract.

Y. Retirement of Idle Services

The Cooperative may remove unused customer facilities that have not had active service for over six (6) months. Unused services reflect a burden on the membership of the Cooperative as seen in maintenance costs, property taxes and potential for energy theft, and will therefore be eligible for removal at the Cooperative's discretion. NRS fees (Not Receiving Service) can be utilized on such services in order to ensure that the facilities will not be removed. These arrangements need to be made with the CNMEC billing department. CNMEC will try to contact the owner of the property, based on available information, prior to the facilities being removed. Contact will be made by leaving a physical notice on the property and contacting the last known account holder shown in the billing system. Either the owner will need to make arrangements for NRS or have the facilities removed. Once the facilities have been removed, the process for line extension will be utilized, just as though no service had ever been on the property.

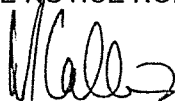
Z. Inspection of Idle Services

The Cooperative may require a permit and inspection by Construction Industries Division of New Mexico, or the local authority having jurisdiction for any service that has been de-energized for more than 1 year, or that has been modified, damaged, tampered with or appears to be unsafe. The inspection must be completed, and the utility authorization submitted to the Cooperative prior to energizing the service. Costs to bring member's service entrance into compliance with state inspector will be the sole responsibility of the member. The requirement of an inspection is at the sole discretion of the Cooperative.

III. RESPONSIBILITY:

IV. TERMINATION OR REVIEW DATE:

ADVICE NOTICE NO. 67



MATTHEW COLLINS, General Manager

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. Matthew Collins, 301 N. Summit Mountainair, NM 87036.

3 Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

4 A. I am employed by Central New Mexico Electric Cooperative Inc. (“CNMEC”) as the Chief
5 Executive Officer (“CEO”).

6 Q. PLEASE DESCRIBE YOUR EMPLOYMENT RESPONSIBILITIES AS THE
7 GENERAL MANAGER.

8 A. As the CEO, I am responsible for the normal day-to-day operations and decision-making
9 of CNMEC, including oversight of all departments, the execution and application of all
10 procedures and policies adopted by the Board of Trustees and the overall organization of
11 CNMEC. I am also authorized to execute all contracts and other instruments authorized by
12 the Board of Trustees.

13 Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE NEW
14 MEXICO PUBLIC REGULATION COMMISSION OR ANY OTHER
15 REGULATORY AGENCY?

16 A. Yes.

17 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

18 A. I am submitting testimony to support a filing by CNMEC to propose changes to our
19 current Line Extension Policy, which is CNMEC’s Second Revised Rule No. 14. I will
20 explain the few changes that are being made and the reasons therefor.

21 Q. PLEASE DESCRIBE THE PURPOSE OF CNMEC’S SECOND REVISED RULE
22 NO. 14.

1 A. The purpose of CNMEC Second Revised Rule No. 14 (“Line Extension Policy”) is to set
2 forth a fair and consistent policy by which the Cooperative extends, upgrades,
3 downgrades and retires power lines and other service facilities within the territory that we
4 provide service to our members. Our Board of Trustees periodically reviews this Line
5 Extension Policy, after considering input from management and the membership, to
6 determine whether it is working as intended and if any changes should be considered.

7 One of the primary purposes for the Line Extension Policy is to encourage the economic
8 development of the rural areas served by CNMEC, through the provision of electric
9 service to our membership at reasonable rates consistent with sound business practices.

10 **Q. PLEASE EXPLAIN THE CHANGES THAT CNMEC IS PROPOSING IN THIS**
11 **FILING.**

12 A. CNMEC is proposing three changes to the Line Extension Policy. ON page 10 of the policy
13 the maximum amount of the Contribution-in-Aid of Construction (“CIAC”) that CNMEC
14 may pay to assist new construction for various customer classifications. CNMEC is
15 proposing to increase this amount for the Small Service, Irrigation, Residential, Small
16 Commercial and Public Buildings classifications. Previously the maximum contribution
17 from CNMEC was capped at \$650 for Small Service and \$1,250 for Irrigation, Residential,
18 Small Commercial and Public Buildings classifications. The proposed change would
19 increase this amount to \$6,750. There are no other changes being proposed.

20 **Q. WHAT IS THE PURPOSE FOR THIS CHANGE IN THE AMOUNT OF CIAC**
21 **FROM THE COOPERATIVE?**

22 A. The CNMEC Board of Trustees has considered means by which the Cooperative can
23 encourage growth in the territory we serve. It was determined that one of the problems is

1 the costs incurred by members and prospective members for an extension of electric
2 facilities. The prior cap on CIAC was deemed too low to truly assist members and
3 prospective members in the decision as to whether an extension of Cooperative facilities
4 would be affordable and justifiable. After concluding that this aspect of our Line Extension
5 Policy needed to be revised, the Board of Trustees charged management with considering
6 alternatives. I surveyed other cooperatives operating in the state and determined that it
7 would be more reasonable to determine the maximum amount of CIAC by dividing the
8 CNMEC Net Utility Plant by the total number of meters. This methodology has been used
9 by other cooperatives in the state. By using this methodology, the amount that was
10 calculated as the maximum contribution from CNMEC would have been \$6,787.69. Our
11 Board of Trustees made the decision to use \$6,750 for the maximum contribution.

12 **Q. HAVE YOU DETERMINED THAT THIS CHANGE WILL ACTUALLY**
13 **PRODUCE THE ECONOMIC GROWTH THAT THE COOPERATIVE IS**
14 **HOPING TO ACHIEVE?**

15 A. There is no way to know in advance if this change will spur the growth in our service
16 territory that we hope to see. However, the reaction from members has been very positive
17 and the Board of Trustees is committed to pursuing the change for at least a reasonable
18 period of time to see if it has the intended benefits. Of course, management will be
19 monitoring this situation carefully and if it appears that the change in the Line Extension
20 Policy has not resulted in any economic growth or that other changes are needed, this will
21 be brought to the attention of management.

22 **Q. DID THE BOARD OF TRUSTEES APPROVE THIS CHANGE?**

1 A. Yes. The Board of Trustees has approved this change unanimously. I have attached to my
2 testimony a copy of the CNMEC Regular Meeting Minutes of the Board of Trustees, for
3 the August 22, 2019 meeting which has been certified by the Board Secretary.

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

5 A. Yes.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

FILED IN OFFICE OF

OCT 29 2019

NM PUBLIC REGULATION COMM
RECORDS MANAGEMENT BUREAU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of *Central New Mexico Electric Cooperative, Inc.'s Advice Notice No. 67* was hand-delivery and sent via first-class mail to the individuals listed below on this 29th day of October 2019.

Hand Delivery

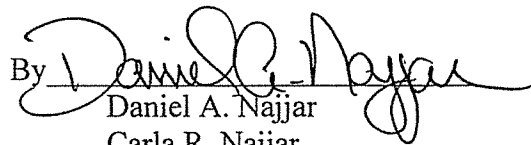
Brad Borman	Milo Chavez	John Reynolds
NMPRC	NMPRC	NMPRC
1120 Paseo de Peralta	1120 Paseo de Peralta	1120 Paseo de Peralta
P.O. Box 1269	P.O. Box 1269	P.O. Box 1269
Santa Fe, NM 87504	Santa Fe, NM 87504	Santa Fe, NM 87504

First-Class Mail

New Mexico Attorney General
Cholla Khoury, Esq.
408 Galisteo St.
Santa Fe, NM 87501

Respectfully submitted,

VIRTUE & NAJJAR, PC

By 

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csnajjar@virtuelaw.com