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**[EXTERNAL] IN THE MATTER OF MELODY RANCH WATER COMPANY LLC'S WATER SYSTEM  
BREAKDOWN AND DISRUPTION OF SERVICE - Case No. 25-00054-UT**

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**From** Gellman, Jason <JGellman@epcor.com>

**Date** Tue 8/26/2025 11:16 AM

**To** Records, PRC, PRC <PRC.Records@prc.nm.gov>

**Cc** Ramirez, Elizabeth, PRC <Elizabeth.Ramirez@prc.nm.gov>; peggy.martinez-rael@prc.nm <peggy.martinez-rael@prc.nm>; cholla.khoury@prc.nm <cholla.khoury@prc.nm>; Dasheno, Gabriella, PRC <Gabriella.Dasheno@prc.nm.gov>; Rilkoff, Ed, PRC <Ed.Rilkoff@prc.nm.gov>; timothy.martinez@prc.nm <timothy.martinez@prc.nm>; orland.whitney@prc.nm <orland.whitney@prc.nm>; kai.filion@prc.nm <kai.filion@prc.nm>; mclee.kerolle@prc.nm <mclee.kerolle@prc.nm>; laurieann.santillanes@prc.nm <laurieann.santillanes@prc.nm>; alyssa.herrera-waldropu@prc.nm <alyssa.herrera-waldropu@prc.nm>; patrick.schaefer@prc.nm <patrick.schaefer@prc.nm>; anna.kippenbrock@prc.nm.gov <anna.kippenbrock@prc.nm.gov>

 1 attachment (315 KB)

25-08-26 - Melody Ranch Letter - Case No. 25-00054-UT\_.pdf;

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Hello,

Please find a copy of the Correspondence from EPCOR Water New Mexico Inc. in the above-captioned matter electronically submitted today, August 26, 2025.

Regards,

Jason Gellman  
Associate General Counsel  
EPCOR USA Inc.  
5656 W. Talavi Blvd.  
Glendale, AZ 85306  
jgellman@epcor.com

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## VIA ELECTRONIC COMMUNICATION

August 26, 2025

New Mexico Public Regulation Commission ("NMPRC")

P.O. Box 1269

Santa Fe, NM 87504

Attn: John Bogatko, NMPRC Legal Division, [John.Bogatko@prc.nm.gov](mailto:John.Bogatko@prc.nm.gov)

Jacqueline Ortiz, NMPRC Legal Division, [Jacqueline.Ortiz@prc.nm.gov](mailto:Jacqueline.Ortiz@prc.nm.gov)

New Mexico Environment Department ("NMED")

Harold Runnels Building

1190 Saint Frances Drive, Suite 2050

Santa Fe, NM 87505

Attn: Aaron Beckworth, Infrastructure Funding Coordinator, [Aaron.Beckworth@env.nm.gov](mailto:Aaron.Beckworth@env.nm.gov)

Re: In The Matter of Melody Ranch Water Company LLC's Water System Breakdown and Disruption of Service – Case No. 25-00054-UT.

Dear NMPRC and NMED Staff:

The purpose of this letter is to clarify certain statements that have been made regarding EPCOR Water New Mexico Inc. ("EPCOR") and its willingness to assist in resolving the disruption of service issues affecting customers of the Melody Ranch Water Company LLC ("Melody Ranch"). We have been tracking NMPRC Case No. 25-00054-UT and are aware of the current situation. We reviewed Melody Ranch's response dated August 18, 2025, where it states at paragraph 15 that "[EPCOR was] not interested in assisting in any capacity." That statement is not accurate. To be clear, EPCOR is willing to assist in developing a sustainable and long-term solution for the customers of Melody Ranch. In EPCOR's opinion, drilling a replacement well in a challenging area of the aquifer is not an adequate solution. This approach may face obstacles related to its location in a Critical Management Area under the Office of the State Engineer Estancia Basin Guidelines, and in any case is at best a temporary fix. Rather, EPCOR believes the most viable solution is to connect Melody Ranch to EPCOR's Edgewood system. In order to accomplish this without exposing Melody Ranch customers to an exorbitant increase in their rates, emergency funding from the State would be required.

EPCOR has the managerial, technical and financial capability to provide the necessary assistance and permanently resolve the disruption of service issues currently plaguing Melody Ranch residents. It is well established that EPCOR has been providing safe and reliable water service to its customers in Clovis and Edgewood for over a decade. As it has shared with representatives of the NMPRC and


NMED, EPCOR's solution would be to extend distribution facilities from its neighboring system in Edgewood to serve residents in Melody Ranch. Upon request from NMED, EPCOR had a local engineering firm (Dennis Engineering) plot a potential alignment to extend distribution facilities (essentially, a combination of 12-inch and 8-inch water mains along with ancillary facilities including a pressure reducing station and storage tank) and interconnect with the Melody Ranch pump house onsite. Dennis Engineering estimates the cost for such an extension would be around \$3.0 million. This option may also involve a change in control or Certificate of Public Convenience & Necessity ("CCN") proceeding before the NMPRC, and would provide a truly sustainable long-term solution for Melody Ranch customers.

EPCOR is aware that the cost for this extension of facilities would be significant and would be prohibitive for residents living in Melody Ranch if they had to bear the burden of paying for the costs of such infrastructure in their rates. Consequently, some form of financial assistance would be required to fund such an extension (essentially as a contribution in aid of construction) in order to prevent rate shock to those residents. The end result of such financial assistance would be that Melody Ranch residents would benefit from the interconnection with a robust system operated by a well-run utility. By contrast, simply drilling another well will not provide nearly the same benefit; a sole source of supply cannot guarantee continuity of service, especially given that any new well would be drilled in an area of the aquifer already demonstrated to be challenging (meaning that Melody Ranch residents would likely face similar disruptions to service in the future). Interconnecting Melody Ranch to EPCOR would mean customers benefit from the strength of EPCOR's system and service, including EPCOR's wellfield in the Bachelor Draw – a prolific and sustainable area of the Estancia Basin.

EPCOR is aware of the NMPRC Legal Division's suggestion as stated at paragraphs 19 and 20 in its August 8, 2025 filing that the Commission "should also consider pursuing a receivership action regarding Melody Ranch pursuant to NMSA 1978, Section 62-13-15." As stated earlier, EPCOR is willing to assist, even to the extent of acting as receiver if the court were to order such an appointment, but only if the infrastructure solution would ensure the long-term sustainability of Melody Ranch. This would entail stakeholder agreement to EPCOR's interconnection of its Edgewood system with Melody Ranch, the identification and commitment of a funding source from the State so as to not burden Melody Ranch customers with an exorbitant increase to their rates, and stakeholder support in any regulatory proceeding before the NMPRC that may be required.

The bottom line is that EPCOR's proposed extension and interconnection would be in the long-term best interests of current Melody Ranch customers. I hope this correspondence makes EPCOR's position clear, and I am happy to discuss the issue further at the convenience of the NMPRC and NMED.

Regards,

A handwritten signature in black ink, appearing to read 'DSBailet', with a stylized flourish at the end.

Daniel S. Bailet

Vice President, New Mexico

cc: Tracey Padilla, Melody Ranch Water Company, [echoandmelody@gmail.com](mailto:echoandmelody@gmail.com)  
Service List in Case No. 25-00054-UT.

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF MELODY RANCH WATER  
COMPANY LLC'S WATER SYSTEM BREAKDOWN  
AND DISRUPTION OF SERVICE**

**Case No. 25-00054-UT**

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of **EPCOR Water New Mexico Inc.'s** Correspondence dated August 26, 2025 in this docket was sent via email to each of the following on the 26<sup>th</sup> day of August, 2025:

<b>Echo and Melody Ranch Water Co.</b>	
Tracy Padilla	<a href="mailto:echoandmelody@gmail.com">echoandmelody@gmail.com</a>
<b>NMPRC -Utility Staff</b>	
John Bogatko	<a href="mailto:John.bogatko@prc.nm.gov">John.bogatko@prc.nm.gov</a>
Jacqueline Ortiz	<a href="mailto:Jackie.Ortiz@prc.nm.gov">Jackie.Ortiz@prc.nm.gov</a>
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Ana Kippenbrock, Paralegal	<a href="mailto:Ana.Kippenbrock@prc.nm.gov">Ana.Kippenbrock@prc.nm.gov</a>

**DATED** this 26<sup>th</sup> day of August, 2025.

/s/ Jason D. Gellman  
Jason D. Gellman  
Associate General Counsel  
EPCOR USA Inc.  
[jgellman@epcor.com](mailto:jgellman@epcor.com)