



STAYING CONNECTED

"Owned by Those We Serve"

January 2017
Volume VII Issue I

CEO'S MESSAGE



LOOKING BACK AT 2016

On behalf of the Board of Trustees, CEO-Luis A. Reyes Jr., the management and employees of Kit Carson Electric, Kit Carson Energy, and Kit Carson Telecom, it has been our pleasure to serve our members. The Kit Carson family of companies will continue to provide goods and services to our members in 2017. With that being said none of which would have been possible without the hard work and dedication of our employees and most importantly the continued support from "YOU" our members. We will continue striving to enhance the quality of life in the products and services we offer for our residents and businesses in the communities Kit Carson Electric serves.

As we move into the new year, it is extremely important to discuss the facts that directly impact the need for KCEC's rate increase which was very much needed to allow KCEC to continue to provide safe and reliable electric services. KCEC continues to implement an extremely aggressive maintenance and tree trimming program, upgrade the aging electric grid which enhances reliability, protects member property and greatly mitigates the risk of forest fires and unsafe conditions; however, these efforts do not come without costs. It is important to note that in the last 30 years KCEC only had two rate increases and does not increase rates unless an increase is needed and justified.

As many have personally seen increases in cost of expenses so has KCEC such as increases in property taxes, tribal taxes, cost of business expenses, insurances, and gasoline to name a few. Members continue to be energy efficiency minded; therefore, kWh is decreasing while costs to provide service continue to increase. The major reasons for increase is lack of growth, lack of businesses moving into our area or local businesses expanding, and the closure of Chevron Mining, which was 14% of Kit Carson Electric's overall load and revenue, along with the 300 employees that lost their jobs which impacted KCEC and several other businesses in the Enchanted Circle. We will continue to look at efficiencies and optimizations within Kit Carson Electric to keep expenses low without sacrificing service. Some initiatives taken were not to fill vacant positions, freeze wage increases for staff and defer major capital expenditures and system upgrades, and to refinance debt with lower interest expense to name a few cost saving measures.

Kit Carson Electric asks its members to support your electric Cooperative. In the Cooperative model and spirit, it is paramount that we continue delivering safe, reliable electric service to all our members. KCEC's service territory covers Taos, and parts of Rio Arriba and Colfax County which are diverse and encompass some of the hardest terrain to serve in the state of NM. Kit Carson Electric will continue striving to provide the most reliable and robust quality of life services that members in rural Northern New Mexico are entitled to and have come to expect.

Additionally, Kit Carson Electric continues to explore opportunities in renewable energy as we are continually looking for ways to develop solar initiatives on behalf of our members and support "behind the meter" solutions. This is a positive step forward in allowing our community to start to explore options our members have in creating a more diverse, more competitive energy supply while increasing our use of solar energy in our area.

On behalf of Kit Carson Electric, its CEO, Board of Trustees and Employees; Thank you for supporting "Your" Member Owned Cooperative.

KIT CARSON TELECOM

Kit Carson Telecom (KCT) now has over 4,000 residential and small business customers connected to true high speed internet via fiber optics in nearly every territory serviced by KCEC at speeds of 30Mbps or greater, and KCT continues to add approx. 325-400 customers to fiber every month to a network that is 99% complete. This brings KCT's total network subscribership to over 4,600 customers. In addition, KCT now has 23 of 26 proposed cellular back-haul carrier sites connected to the KCT fiber optic network which encompasses some of the Nation's largest cell carriers such as AT&T, Verizon and ComNet/ATNI. Having major cell carriers on KCT's network demonstrates and lends full validation that KCT not only locally operates a reliable and sustainable world class carrier network, but has improved cell phone reliability in some of New Mexico's hardest to serve terrain. In the spirit of open access KCT has engaged in a Dark Fiber lease with current incumbent provider Century Link, and finalized negotiations with local internet provider Taos Net to allow access to KCT's network. Lastly, from a standpoint of sustainability and economic development KCT has created over 41 permanent local jobs directly tied to the broadband project and employment opportunities will continue to expand. KCT takes pride in hiring local, many of our employees are former Chevron Mining employees who were impacted by the mine's closure. The fiber project has and will continue to help create true economic development and viability in the KCEC service territory for many years to come. Thank you to all our current and future telecom customers. We appreciate the opportunity to serve you!

KIT CARSON ENERGY INC.

Kit Carson Energy Inc. (KCEI) continues to deliver propane in a competitive fashion and has set the standards for improved safety practices for all propane customers and companies within its service areas.

KCEI had a profitable year in 2016 in which payments to Kit Carson Electric Cooperative Inc. were made in excess of \$400,000. A propane model was made to ensure the company would make a profit to meet company goals. We continue to set the bar as far as the price per gallon and service excellence.

A new propane bottle dock was installed at 201 Cruz Alta located in Taos. This new location has increased bottle fill sales and provides a more efficient and safe environment to both customers and employees.

KCEI has a 24 hour 7 days a week standby crew ready to serve its customers with propane "out of gas calls" or emergencies that could arise. KCEI remains solid and viable by offering the best propane services in addition to providing safe affordable propane to accommodate the needs of both residential and commercial sectors.

Sincerely,
Luis A. Reyes Jr., CEO

Products & Services Available

Sign up today!

PAPERLESS BILLING -- Help save the environment, our natural resources, and help the economy (go e-Billing). Say goodbye to clutter with paperless billing. Receive an e-mail each month when your bill is ready to view. You can also log into the KCEC customer portal to check your account balance, view your usage history, and pay your bill.

AUTO PAY -- Short on time? Sign up for our convenient Auto Pay Plan! This option will authorize KCEC to automatically withdraw your monthly account charges from a credit card or checking/savings account. Avoid the hassle of driving & avoid late fees by taking advantage of this great payment option.

BUDGET BILLING -- Budget Billing customers pay the same amount every month, year-round. The amount you pay is based on the average of your prior 12 months' electric usage. To sign up for this option your account must be at a \$0 balance and also have 12 months of usage history. This option is great for customers on a fixed income.

To sign up for any of the options above simply call your KCEC customer service department at 575-758-2258 or 1-800-944-8159 and they will be more than happy to assist you.



Taos County is rich in beauty, natural resources, art and culture. For this we give thanks. However, many among us are struggling to keep our families together, warm and fed. Once again with KCEC's commitment to assist Taos Feeds Taos; our community has again made it possible for another successful year.

During the month of December employees of Kit Carson Electric; in conjunction with the local National Guard picked up over 160 boxes of donated nonperishable foods from schools around Taos. These boxes were then dropped off at the National Guard Armory where KCEC staff and volunteers sorted all the foods. Boxes were filled with many items including nonperishable cans of food, potatoes, apples and ham.

With the assistance of your local Cooperative, this year the program had the privilege to hand out over 1,100 boxes to those that qualified. What a wonderful and amazing program. Thank you to all that donated food & monetary gifts, and everyone that volunteered their time to make this program so successful!

BOARD OF TRUSTEES

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Arturo Rodarte	Trustee	Ojo Caliente	District 3
Ambrose Mascarenas	Trustee	Llano de San Juan	District 4
William Norris	Trustee	Ute Park	District 5

BOARD MEETINGS

The Board of Trustees meet the last Tuesday of the month at 9:00 am in the cooperative boardroom.

Solar Deployment Plan

Kit Carson Electric Cooperative, Inc. is working on implementing and constructing a Solar Deployment Plan in 2017. Solar energy will account for approximately 40% of KCEC's energy needs to serve its current and future member's loads. KCEC's goal is to be able to build to approximately 100% of KCEC's daily electrical energy needs by 2023 by utilizing solar electric generation capacity in approximately 1 MW facilities located in various locations around KCEC's service territory. KCEC currently has approximately 5 MW of solar capacity it owns and controls so KCEC would need to build approximately 30 MW to meet its goal. This would translate into constructing 5 MW per year for the next six (6) years. KCEC's best option is to develop a strategy of how to fund the projects. KCEC's best option is to enter into several PPA's with third party developers to finance and operate the solar facilities. The framework that is proposed will result in solar energy becoming an important and integral component of KCEC's energy mix.



Kit Carson Electric along with our Electrical Safety program sponsors an annual Coloring Contest for 2nd, 3rd, and 4th grade students which also promotes electrical safety. Safety presentations are conducted by a KCEC Safety Coordinator and one of our Journeyman Lineman for schools and other public establishments. Call us to schedule a demonstration on electrical safety with your organization.

Safe Haven- KCEC's Safe Haven Program assists children and adults involved in situations that require prompt attention. If you see a KCEC truck and you need help, approach the KCEC vehicle. The employee will assist you by contacting proper authorities to get help as quickly as possible.



CONTACT INFORMATION

MAIN OFFICE # (575) 758-2258

CUSTOMER SERVICE: (575) 751-9064 / 1-800-944-8159

CUSTOMER SERVICE FAX # (575) 758-4611

ADMINISTRATION FAX # (575) 758-4890

AUTOMATED SYSTEM # (575) 751-8132

POWER OUTAGE/SERVICE INTERRUPTIONS # (575) 758-6100

EMERGENCY LINE-LOCATES # 1-800-321-2537

QUESTA OFFICE: (575) 586-2113 (Wed 9:00am – 3:30pm) excluding the 1st week of each month

KIT CARSON TELECOM – (575) 758-4838

KIT CARSON ENERGY – (575) 758-7757

NEW MEXICO PUBLIC REGULATORY COMMISSION (PERA Building): 1-800-947-4722