

# GETTING CONNECTED

## Tri-State Rate Increase Update

“Owned by Those We Serve”

April 2013

Volume IV Issue IV

### CEO's Message



#### Tri-State Rate Increase Protest

As many of you know KCEC's electricity supplier, Tri-State Generation and Transmission, has proposed a rate increase and rate design change

we believe would negatively impact our members. Since KCEC contracted with Tri-State in 2000, with the promise of rate stability, our rates have been raised eight times. Each time KCEC has protested. The difference in this the ninth proposed increase is we have other New Mexico cooperatives joining in the fight. Springer and Continental Divide co-ops have added their voices to the protest. According to New Mexico law, if three co-ops protest a rate increase Tri-State must justify the hike before the New Mexico Public Regulation Commission (PRC).

At this point Tri-State has not produced the justification. Instead they have sought relief through the federal courts, claiming it is unconstitutional for the PRC to regulate them, despite their agreement to the stipulation in 2000. Basically they are asking the PRC to rule in their favor, but also saying the PRC has no right to rule over them. Their contention is, because they are involved in interstate commerce, they can't be regulated by a state agency.

Before 2000 most New Mexico co-ops received their electricity from Plains Electric. Tri-State petitioned to acquire Plains by means of a merger. This was agreed to as long as Tri-State agreed to submit to regulation by the PRC. The New Mexico State Legislature passed a bill to this affect and Governor Bill Richardson signed it after the legislative session. In spite of this, the battle may continue for quite some

time through the court system.

As of the end of February 2013 the protest has saved KCEC consumers \$331,000 in rates that would have been charged had the increase gone through without the three co-ops intervention. This is money that stays in all our pockets for the necessities of life in our communities. Please join us in letting our Public Regulation Commissioners know you care about the rates you pay. It is important they hear from you.

The names and contact information for your PRC commissioners are below. Please take the time to let them know, in these difficult economic times, any rate increase should be fully justified and proven necessary for the financial well-being of Tri-State.

- Valerie Espinoza-District 3  
[Valerie.espinoza@state.nm.us](mailto:Valerie.espinoza@state.nm.us)  
(505) 827-4533
- Patrick H. Lyons  
[Patrick.lyons@state.nm.us](mailto:Patrick.lyons@state.nm.us)  
(505) 827-4531
- Ben L. Hall  
[Ben.hall@state.nm.us](mailto:Ben.hall@state.nm.us)  
(505) 827-8020
- Theresa Becenti-Aguilar  
[T.Becenti@state.nm.us](mailto:T.Becenti@state.nm.us)  
(505) 827-8019
- Karen L. Montoya  
[KarenL.Montoya@state.nm.us](mailto:KarenL.Montoya@state.nm.us)  
(505) 827-8015

Sincerely,  
*Luis Reyes, CEO*

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## KCEC Board of Trustees Meeting

March 26, 2013-Summary

### CEO Report:

- No outages reported for the weekend of March 23 & 24, 2013 despite high winds. This is a testament to the system improvements that have been done.
- KCEC is ahead of budget and meeting TIER
- Payments that will be made to KCEC for the lease with option to buy of the Taos Regional Command and Communications Center will go directly to paying down the debt obligation to RUS. This will be a direct benefit to KCEC members as the payments have been part of the rate base.
- Refinancing debt is on schedule and will save KCEC members over \$5 million over the life of the loans.
- A new feature of the website, kitcarson.com, is being developed. It will show a copy of a typical KCEC bill with explanations of what each line means. Trustees asked if a better explanation of the Fuel Adjustment could be included. It was agreed to do so.
- It has been determined that Tri-State is using the Colorado rate profile to illustrate how the rate change will affect New Mexico consumers. The rate design is significantly different, so the substitution is not accurate.
- Pricing is being developed for the beta testing of the new fiber network. Trustees mentioned we should use "No Gimmicks" as a big plus for our new fiber system, as it sets us apart from competitors, especially Century Link.
- We should have an accurate map with timelines for fiber con-

nections for each of our service areas by the end of April.

### Safety Committee

- No lost time accidents were reported in February.
- The trustees discussed how to make the Penasco and Questa offices safer. Drive up windows were suggested as were shorter office hours. It was suggested a large sign be placed near the road announcing the office hours.

### New Business:

- The KCEC Annual Meeting was approved for June 8, 2013 at Taos High School Gymnasium.
- The schedule for nominations for KCEC Board of Trustees positions for District 1 and 2 were determined. The schedule will be published and announced via newspaper and radio advertising. District 1 election will be May 14, 2013 and District 2 will be May 9, 2013 in the KCEC boardroom.
- Capital Credits will be distributed at the end of May. Amounts \$20 or less will be credited to the members bill. More than \$20 will be returned in check form. Capital Credits are being returned to KCEC members with service in 1980 and/or 1981 based on usage.

### Committee report:

Tri-State:

- \$1.8 million has been budgeted for legal fees for the rate increase protest. \$1 million has already been spent. Colorado protests were not budgeted, which could make the legal fees increase significantly.

## Taos Home & Garden Expo: Bigger and Better Than Ever

Kit Carson Electric Cooperative is proud to announce we will be hosting the 9<sup>th</sup> annual Taos Home and Garden Expo for 2013. The expo is a celebration of spring each year. This year's event will return to the Town of Taos Civic Center's Rio Grande Hall on Civic Plaza Drive. The expo will be Saturday April 27, 2013 from 9am to 3pm. Admission to the event is free.

The expo will provide everything for the home from finding to financing to furnishing. There will be an emphasis on sustainable living, as Taos is at the forefront of adapting to the changes in lifestyle that go along with our changing world.

### Board of Trustees

Bobby Ortega	President	Questa	District 2
Manuel Medina	Vice President	Taos	District 1
Chris Duran	Secretary	Penasco	District 4
Bruce Jassman	Treasurer	Angel Fire	District 5
David Torres	Trustee	Arroyo Seco	District 1
Peter Adang	Trustee	Ranchos de Taos	District 1
Luisa Mylet	Trustee	Pot Creek	District 1
Virgil Martinez	Trustee	Cerro	District 2
Arturo Rodarte	Trustee	Ojo Caliente	District 3
Ambrose Mascarenas	Trustee	Llano	District 4
Jerry Smith	Trustee	Ocate	District 5

### Board Meeting

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

## Contacts:

Main Office: (575) 758-2258/ 1-800-688-6780

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 Outages/Service Interruptions: (575) 758-6100

Emergency Line-locates: NM One Call 1-800-321-2537

Questa Satellite Office: (575) 586-2113-Call for office hours

Peñasco Satellite Office: (575) 587-1900-Call for office hours

New Mexico Public Regulatory Commission (PERA Building):  
1-800-947-4722

**Learn more about Kit Carson Electric on the Internet at:**

**[www.kitcarson.com](http://www.kitcarson.com)**