

GETTING CONNECTED

Forest Fire Prevention

“Owned by Those We Serve”

July 2013

Volume IV Issue VII

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CEO's Message



Forest Fire Prevention #1 Priority at KCEC

Kit Carson Electric Cooperative maintains over 2,600 miles of overhead and underground high voltage power lines within its service territory. Many of these lines cross through forests and other areas susceptible wildfire. With the extreme draught conditions being experienced in New Mexico, these areas are particularly vulnerable. KCEC has gone to great lengths to ensure the vital resource we provide does not cause a wildfire.

Maintenance is the number one priority at Kit Carson Co-op. We have full-time personnel aggressively trimming trees and clearing brush, so combustible material does not come in contact with the electric lines. We also have all our personnel, from our meter department to our linemen, looking for potential problems. All our outside personnel are trained to look for and report potential trouble spots. We have stepped up our trimming crews as the draught has worsened, particularly last summer and this summer. We have recently seen devastating forest fires in neighboring electric cooperatives' service areas. We have the same terrain and conditions, so we think it is more than luck we have not experienced the same consequences.

KCEC has tree trimming crews on staff. We also contract for extra assistance when conditions dictate the additional expense. These crews work with the forest service and BLM to identify areas in need of attention within KCEC right-of-ways. When permission is granted they also identify potential hazards outside those boundaries and take necessary steps to avoid mishaps. Whenever possible our staff will notify property owners of the potential hazard and involve them in the decision making to arrive at the best solution.

Our members can be of assistance, too. We try to have as many eyes on potential trouble spots as possible, so if you see a tree that could potentially fall on a power line, we ask you to report it to us. Please call 575-758-2258 and our highly trained staff will be dispatched to the location. Our right-of-way extends ten feet on either side of the power lines. That means if a tree or branch of a tree is in danger of coming in contact with the line we have an obligation to trim or cut to keep a fire from occurring. As you can imagine, many times the hazard is outside that limit. We all enjoy our trees and would not unnecessarily cut down any of them. However, when you consider the consequences of a fire, it sometimes becomes a matter of losing one tree to save a forest. That is where you come in. Your private property could hold the match that might cause a great deal of devastation. A dead tree or one that is leaning in such a manner that it may fall should be reported immediately. We will dispatch our experts to determine the best course of action. If the tree can be saved we will make every effort to do so. Remember our employees enjoy the forests as much as you do. They are trained to safely assess and remedy hazardous situations.

We all have a responsibility to prevent forest fires. At your cooperative we take that responsibility very seriously. We are sure that you do, too. We have been very fortunate to have avoided the devastating fires that have impacted areas near us. But it is not just good fortune. It is a product of vigilance and hard work. We ask you to join us in being fire safe during the dry conditions we are experiencing. With your help all our communities can be free of forest fires this year and beyond.

Sincerely,
Luis Reyes, CEO

A Battle is Won, the War Goes On

Tri-State Generation and Transmission Company, the supplier of electricity for Kit Carson Electric Co-op, recently asked the New Mexico Public Regulation Commission (PRC) to withdraw their request for a rate increase for 2013. This is great news, since KCEC, along with Springer and Continental Divide co-ops, have been battling to keep our rates from going up for most of the past year. For KCEC the battles have gone on much longer. This is the ninth rate increase proposed by Tri-State since they became our provider in 2000. KCEC has opposed every one. The difference this time is we have two other cooperatives joining in the fight. This gave us standing with the PRC. Their refusal to grant interim rate increases to Tri-State made it possible to win this particular battle.

When Tri-State raises their rates we pass along that increase to our members. In fact, about 70% of the bill you receive from KCEC is

actually offsetting what we are charged by Tri-State to purchase electricity. Tri-State includes 44 member cooperatives in four states, New Mexico, Colorado, Wyoming and Nebraska. In New Mexico there are 12 Tri-State member co-ops. We at KCEC will continue to oppose rate increases that are unjustified. Since Tri-State will be bringing their rate proposal for 2014 forward in October of this year, we will be paying close attention to that announcement. If it becomes necessary to come out in opposition again we will do so.

The very good news about the announcement is, as of the end of April 2013, our members have been saved over \$342,000 because the increase did not take effect. There is also now no chance our rates will increase in 2013, so the saving will continue to add up. We are committed to providing our members with affordable energy and will continue to battle any proposed Tri-State rate increases.

KCEC Board of Trustees Meeting Summary-June 25, 2013

The Kit Carson Electric Cooperative Board of Trustees met for their regular monthly meeting on Tuesday June 25, 2013 at 9am. Below is a brief summary of the meeting.

- Members of the KCEC Board of Trustees emphasized the claiming of Capital Credits should receive more publicity and more prominence on kitcarson.com.
- Representatives from Tri-State Generation and Transmission made a presentation in regard to their proposed 230kV transmission line.
- CEO Report
- ◇ Margins were low in May 2013, which is expected due to a lack of demand for power. Chevron Mine had minimal activity, ski resorts did not use much electricity and members are not using heat or air conditioning.
- ◇ KCEC has a comprehensive fire plan, which emphasizes prevention. We have tree trimming crews, plus contractors patrolling the lines. This brings costs up, but is justified as, so far, we have not had any major fires.
- ◇ Internally, all departments have been notified to cut 3% from their budgets.
- ◇ There were 53 new members in 2012 and 48 in 2013. This reflects a trend toward less people relocating to Taos.
- ◇ The refinancing of debt, which will save members \$5 million over the life of the loans, will be reflected in the June budget report.
- ◇ CEO met with several members who had asked questions at the KCEC Annual Meeting on June 8, 2013 in order to discuss their concerns and fully answer their questions. Roundtable member discussions will be planned and scheduled in the near future.
- The 2012 audit was presented:
 - ◇ Clean report
 - ◇ No difficulties



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