

GETTING CONNECTED

**URGENT!
CALL TO ACTION!**

“Owned by Those We Serve”

March 2013

Volume IV Issue III

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CEO's Message



Urgent Call to Action!

Tri-State Generation and Transmission (Tri-State) has requested a rate increase for its member cooperatives. Kit Carson Electric Cooperative, Inc. (KCEC) receives the electrical power it distributes to its members from Tri-State, so this action will directly affect the rates for all our members. This is far from our first battle with Tri-State. Since we agreed to receive electricity from Tri-State in 2000, with the promise of rate stability, we have contested each of their eight previous increases. This time however we have the support of other cooperatives. Springer and Continental Divide cooperatives are also fed up with the past increases and the promise of more to come.

Tri-State has requested interim rate relief from the New Mexico Public Regulation Commission (PRC), which would increase rates to KCEC members by 8 to 9%. **The hearing before the PRC is scheduled for March 13, 2013 at 9am in the PERA Building in Santa Fe. KCEC is asking members to contact the PRC to voice their opposition via phone or e-mail (PRC contact information below) as soon as possible. If you are available, please consider attending the meeting. The PRC should be urged NOT to allow Tri-State to raise their rates on an interim or permanent basis until they justify the need for an increase.**

Some background on the case is below:

- Tri-State filed a response to the protest made to their proposed rate increase with the PRC on February 11, 2013. KCEC along with Springer and Continental Divide cooperatives filed protests in November and again in January to the rate increases asserting they are unjust, unreasonable and punitive.
- From our analysis the \$800,000 increase for KCEC members will result in a 9% increase for residential consumers. KCEC will continue the protest process as has been done with each increase Tri-State has proposed since KCEC contracted with them to supply electricity in 2000. At the time of contracting with Tri-State they promised rate stability, yet this is the ninth increase in 12 years.
- It is also speculated Tri-State will impose rate increases each year until 2022. Overall, this will result in a 225%

increase in wholesale electric rates from 2000 to 2022.

- The KCEC Board of Trustees approved continuing the protest at their January 29, 2013 meeting.
- KCEC asserts a breach of the original agreement with Tri-State. At the time Tri-State merged with Plains Electric, KCEC's previous electricity supplier, it was agreed Tri-State would be regulated by the New Mexico Public Regulation Commission (PRC) if three member cooperatives protested a proposed rate increase. Tri-State filed a Complaint for Declaratory or Injunctive Relief with the U.S. District Court of New Mexico on January 25, 2013.
- Tri-State proposes increasing the rate for the three protesting cooperatives from 4.9% to 9%, while keeping the rate at 4.9% for the other member cooperatives in New Mexico that did not protest the increase. KCEC asserts this plan is discriminatory and punitive, as it retaliates toward only the three protesting cooperatives.
- The proposed rate increase is being unfairly distributed and is therefore punitive and discriminatory.
- The three cooperatives protesting the increase has been told rates they purchase power from Tri-State will increase from 4.9 to 9%. The member cooperatives that are not protesting the increase will stay at 4.9%.

PRC members and contact information (contact in this order):

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

Sincerely,
Luis Reyes, CEO

KCEC Board Votes to Retire Capital Credits

The Kit Carson Cooperative, Inc. Board of Trustees voted unanimously to retire the Capital Credits for 1980 and 1981 at their meeting on February 26, 2013. This means \$388,691.18 will be returned to the KCEC membership in the next few months.

The member must have received electric service from KCEC during the years 1980 and/or 1981. The Capital Credits will be returned in the form of a check or credit depending on the amount of the refund. The method of disbursement will be determined in the next couple weeks.

In the past many members have chosen to donate their Capital Credits refunds to the Kit Carson Educational Foundation. The Kit Carson Educational Foundation awards scholarships to deserving local high school seniors for continuing education opportunities. In the next few weeks more information will be distributed giving details on how to donate Capital Credit refunds to the foundation.

KCEC Board of Trustees Meeting Highlights February 26, 2013

- The Board of Trustees of Kit Carson Electric Cooperative, Inc. met for their regular meeting at 9am on Tuesday, February 26, 2013 in the KCEC Boardroom. Below are highlights of the meeting. The full minutes are published on our website www.kitcarson.com after approval at the next meeting on March 26, 2013 at 9am.
- The big news is capital credits we approved for retirement for 1980 and '81. This means a total of \$388,691.18 will be returned to KCEC members. More details will be sent to KCEC members this week.
- Average residential electric use for January was much higher than usual due to cold weather. The average usage was 804kwh as compared to a typical average of 485kwh. This was due to addition use of heaters, lights, etc. Remember even gas heaters use an electric fan.
- All budget targets were achieved in January.
- Tri-State has filed a motion to accelerate the hearing process for the rate increase with the PRC. We are urging all members to contact the commissioners to urge them to require Tri-State to justify the need for an interim or permanent rate increase.
- Members were urged to oppose SB477, which would place a 4% franchise fee on utilities. The bill goes before the Judiciary Committee on February 27 at 2pm.
- The Enchanted Light Fiber Optic Project is about 25% complete with approximately \$18 million expended so far.
- New Kit Carson Energy, Inc. board members were appointed by the KCEC board of trustees. New members are Jeannie Masters and Joey Perovich.

Save the Date: Taos Home & Garden Expo

Kit Carson Electric Co-op will once again be hosting the popular Taos Home & Garden Expo. This year's event will be held April 27 in Rio Grande Hall on Civic Plaza Drive from 9am to 3pm. As always, the event is free to the public.

The Expo has become the perfect place to kick-off spring, with booths ranging from sustainable living, to gardening supplies, to floor coverings and much more. That's why we say it's everything for the home from finding, to financing, to furnishing.

Booth spaces are \$140 and measure 8' x 10'. The booths come with a table and two chairs. Sponsorships are also available and come with many bonuses.

To reserve a booth or arrange for a sponsorship contact Steve Fuhlendorf at (575) 758-2258 ext. 143 or e-mail sfuhlendorf@kitcarson.com.

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
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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