

GETTING CONNECTED

Watts Happening at Kit Carson Electric Cooperative January 30, 2013

Kit
Carson
Electric
Cooperative

Watts Happening-Kit Carson Electric Cooperative Update

KCEC Board Expenditure Comparison

The Kit Carson Electric Cooperative, Inc. (KCEC) Board of Trustees are compensated for the time they spend in such activities as board meetings, committee meetings, training and advocacy for the cooperative. A recent comparative compensation report shows their expenditures to be in line with those of other cooperative boards. The KCEC board has consistently been in the middle to low end of board expenditures in comparison with other cooperatives, as well as the Taos town and county governments. A breakdown of data collected is available upon request.

In comparing KCEC's board expenses to other cooperatives it should be noted that most are concerned only with electricity, whereas the KCEC board must also contend with issues in regard to telecommunications and propane. Other projects under the guidance of the KCEC board include the Enchanted Light Fiber Optic High Speed Internet Project and the Taos Regional Communication and Command Center. Yet in spite of the added responsibility the expenses show a prudent use of member finances. For example, total revenue for KCEC in 2011 was \$35,924,870 as compared to Central New Mexico Electric Cooperative at \$35,654,986, yet the expenses per board member were an average of \$13,900 for KCEC's board members compared to \$21,244 for CNMEC board members. Lea County Electric Cooperative topped the list with \$26,260 per board member and Mora-San Miguel was at the other end with \$11,611 per board member.

It is also relevant to compare the KCEC board member compensation with other elected officials. In the case of the Taos County Board of Commissioners, compensation ranged from \$36,968.68 to \$41,110.69 per commissioner, *plus per diem*. The Taos Town Councilors compensation totaled \$393,148 for the mayor and four councilors. This averages to \$78,228. The county commissioner's constituency is about 30,000 and the town about 6,000, while the KCEC members are about 26,000.

contact KCEC Public Information Officer Steve Fuhlendorf at (575) 758-2258 ext. 143 or sfuhlendorf@kitcarson.com.

If not KCEC, who?

In the 1930's and 40's big electric companies did not want to invest in the infrastructure necessary to connect rural areas to electricity. Something had to be done or the rural areas would fall farther and farther behind the urban areas in education, medical care and economic development. The Rural Electrification Act passed in 1936 providing federal loans for the installation of electrical systems for rural areas. The plan was to establish member-owned electric cooperatives that could borrow money from the federal government over a long term (30 years) at low interest rates. By 1944 a group of people from the Enchanted Circle took up the challenge and created Kit Carson Electric Cooperative to serve the electrical needs of our area.

Fast forward to 2009: Northern New Mexico leaders gathered to discuss the stimulus funds and how our communities might get a slice of the pie. The consensus was communications were the key and fiber optic infrastructure was and still is the state-of-the-art in transmitting information. The big corporations made many promises, but were unwilling to invest in this infrastructure to connect rural America to high speed communications. Just like with electricity Kit Carson Electric Cooperative was the answer. KCEC applied twice for the funding and were denied, but the third time was the charm and a \$44 million grant and a \$19.3 million low interest loan were provided through the USDA's Rural Utility Service to install fiber optic infrastructure to every home and business in the service territory, which includes Taos County, and parts of Rio Arriba and Colfax counties. The question is, if not KCEC, then who could have taken on this challenge?

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For a full comparative report [click here](#). If you have questions

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Shortly after 9/11 community leaders gathered to look at our emergency services and determine if our communities were prepared for a disaster should it occur. It was decided to best prepare we should have a regional command center that would put all our emergency services under one roof so they could communicate and share information. It was decided KCEC had the best shot at getting grant funding to make the dream a reality, so the leaders of the municipalities, including the Town of Taos and Taos County, plus the Carson National Forest, regional school districts, as well as other entities, signed resolutions supporting KCEC applying for funding. There was not a great deal of optimism about the success of the request, but in the end KCEC was able to procure a \$550,000 grant and \$2.3 million loan from the USDA and the State of New Mexico provided \$175,000 in capital outlay for construction of the \$3 million Taos Regional Command and Communications Center. Once again, if not KCEC, who would fight for the health, safety and welfare of our communities?

KCEC purchases power to service our area from Tri-State Generation and Transmission based in Denver, Co. A 40-year agreement was signed in 2000, based on Tri-State's promise to stabilize rates to our members. In spite of this commitment Tri-State has raised rates eight times in the past 12 years and is requesting yet another increase. The first eight times increases were proposed KCEC was the only cooperative to stand in opposition. An agreement was signed at the time Tri-State merged with Plains Electric, also in 2000, to allow the New Mexico Public Regulation Commission to have oversight of Tri-State rate increase requests if three cooperatives protested. This time two other cooperatives, Springer and Continental, have joined in the battle. The PRC suspended the rate increase until further review could be given to its merits.

If the board of trustees and management of KCEC had not continued to stubbornly stand on the side of its members, we would have all seen this increase on our February bills. If not KCEC, then who in the Tri-State network of cooperatives would have continued this fight and persuaded two other cooperatives to join in order to have standing with the PRC?

The board of trustees and management of KCEC took a stand for renewable resources and began to build solar arrays throughout the region. In strict financial terms this is not in the best interest of the KCEC bottom line. However it is in the best interest of our members and the sustainability of the communities of our region. Of course, Tri-State does not agree with this philosophy and put a 5% cap on the amount of renewable resources KCEC can generate through the solar power it owns. Rather than standing pat at 5%, KCEC has continued to encourage the construction of new arrays generating power that is added to the electric grid through power purchase agreements, which are not subject to the 5% cap. In another stroke of genius KCEC instituted a Community Solar program allowing members to purchase solar panels on arrays, which also makes them exempt from the 5% cap. More information is available about KCEC Community Solar at www.kcecsolar.com. KCEC is now number two in the nation in solar watts per member and number four in total solar watts produced. Other cooperatives are now realizing it is up to all of us to make a difference in our future and that of our children. KCEC has become a model for how we can all make that difference. If KCEC does not make a stand for energy sustainability, who will?

Kit Carson Electric Cooperative leads the way in communications, community safety and sustainability. If not KCEC, then what entity within our region is in a position to make the commitments necessary to improve our quality of life?

Board of Trustees

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Board Meeting

The board of trustees next meeting is January 29, 2013 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