

## **'Electric rate increase has been a long-time coming'**

**KELSEY KENNEDY**

*The Taos News*, January 13, 2011

I have read with interest the news coverage and the letters concerning the proposed rate increase for Kit Carson Electric Coop. I too am a rate paying customer of Kit Carson. I share the desire that my electric rates not increase.

Who among us, particularly in this day and age, wants to see an increase in that which, for most of us, is an unavoidable monthly expense? I find it distressing, however, that many of my fellow Taosenos are making arguments that amount to, "don't raise my rates because I don't want to pay more." That sort of argument simply defies the facts of the case. Worse yet, are the arguments that simply defy logic (even while declaring that they are logical). One such example is the letter that declares that our "fair share" of fixed costs should be based solely on how much energy we use.

Kit Carson, like most electric utilities, has a huge segment of its basic monthly costs which are fixed. That is, they cost Kit Carson the same each month regardless of the amount of electricity a given customer uses.

Chief among these are the costs of the wires, transformers and substations that deliver the electricity to the home.

These costs remain the same, even if a given customer uses no electricity at all.

To ask that these fixed costs be based on electric usage defies logic. The customer that uses no electricity (or very little) would pay nothing (or almost nothing). "Nothing" can hardly be considered a "fair" share.

I'm sure, that is precisely why Kit Carson has requested a new rate plan which causes each customer to pay his *pro rata* portion of these fixed costs on a monthly basis.

Consider, for a moment, what might happen if this new plan were not adopted. As customers strive to conserve or find electricity alternatives, many would pay less than their fair share.

Kit Carson would lose money. If this continued, eventually, the co-op would wind up in bankruptcy. The co-op's assets would likely be bought by an out-of-state company.

Kit Carson's customers would wind up at the mercy of out-of-state interests.

We might wind up in a plan like the two-tier plan now being implemented in Pennsylvania. In

that state, the facilities for delivering electricity have been placed in a separate company than those for generating the power. In Pennsylvania, the fixed costs of the wires, transformers and substations will be just that, fixed. Every customer will pay the same amount each month for this fixed cost. In addition, Pennsylvania customers will pay a profit margin to two companies, not just one.

Personally, I prefer to keep my local co-op, Kit Carson Electric, in control of all aspects of my electric bill.

Keep in mind that, as customers, we are members of the co-op. We elect the Board of Directors. We have a voice. I for one like it that way.

None of us like to see our monthly bills increase.

However, we have seen many increases in such costs in Taos. Also in this newspaper there is also an article about the town of Taos raising utility rates. Yet, I've seen no hue and cry from those who oppose the Kit Carson increase. Why is that?

I trust that the citizens of Taos County who are Kit Carson customers will separate the wheat from the chaff in these arguments. An electric rate increase has been a longtime coming in Taos. It could be much worse.

Kit Carson management has been doing a better job than critics would have you believe. Let's support their efforts on our behalf.

*Kelsey Kennedy is a retired resident of Taos County and a Kit Carson customer.*