



THE TAOS NEWS

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My Turn

Kit Carson Electric rate increase needs study

Linda Bence

The proposed Kit Carson rate increase is regressive and hurts those most who conserve energy or who are on fixed incomes.

According to CEO Luis Reyes, KCE has not asked for a rate increase since 1985. That alone should tell you that KCE has been overcharging customers for many years and taking the excess rates to fund non-electric pursuits like propane, call centers and Internet.

KCE now claims to have a budget shortfall of \$800,000 this year to pay for those projects that it has in place. KCE has shown no effort in tightening their belts and cutting non-essential expenses before they filed for this rate increase which comes at a time when we are experiencing loss of jobs and businesses closing.

At the last KCE board meeting, they were already discussing new projects like a request from the country club to go solar. This was supposed to make it easier to sell the surrounding land.

We have seen that, through poor planning and advice, that the UNM/Taos campus solar project was supposed to cover all of their electric needs but they failed to take into account the fact that much of their use is at night for classes when the sun doesn't shine and they have no back-up system. Ratepayers are now paying for that folly.

The proposed rate increase should be investigated and restructured eliminating the huge hike in system charges and structuring the KWH fees to reward those who conserve and charge more to energy hogs to forestall the need to fund a new expensive power generation plant.

Co-op members have never been asked to vote on whether they want the peripheral services that KCE continues to develop.

Never, in any of the years of operation, have the propane and Internet divisions operated in the black. I can't understand why the federal government would give \$44 million to a utility that has operated similar projects without making a profit. The only explanation can be that when the grant was filed that critical information was left out and the losses were not mentioned.

Luis low-balled rates for the propane and Internet to lure customers into its web. I asked Luis how many people will continue to pay KC Propane \$2.35 per gallon when they learn that they are paying more than 35 cents a gallon more than the for-profit companies and Luis told me that they have a good supply of customers with poor credit that only KCP is willing to service.

I encourage customers of the propane and Internet to compare prices with other companies and to seek the most effective prices.

How many of these customers are we are carrying who don't pay their bills that contribute to the losses we are now being asked to come up with more money for?

I encourage all readers to take an active role by filing a rate increase protest so that the Public Regulation Commission can ascertain whether piling on an additional \$19 million in debt to the KCE ratepayers is fair and wise in these times. Ratepayers should be asked to vote on whether they want to continue to carry the losses for non-performing divisions or whether we want to disband them and cut our losses.

I have to ask: If KCE had not taken money from collecting excess fees from ratepayers to start up and continually pay debt for propane and Internet, whether KCE would still be asking for a rate increase.

I question the need for another source for broadband services. I don't know anyone who will leave their reliable, low-cost bundled services to take a chance on KCE to provide us with telephone, Internet and TV when they couldn't handle an Internet outage last spring that lasted five days.

If KCE is going to pursue broadband expansion, that project should be kept in a separate and individual account so that KCE ratepayers are not paying for it through their rates and that the broadband expenditures are easily transparent. Money from KCE ratepayers should not be used for this new service.

I learned that when KCE filed for the broadband grant, that it promised that they would operate it for a minimum of 20 years.

Can you imagine the accumulated debt that we will have should the broadband lose money as the propane and Internet have? This is a project that we neither need nor can afford.

Linda Bence is a Taos resident for over 12 years.