



THE TAOS NEWS

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The flawed reasoning of Kit Carson

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In last week's (Nov. 18) full-page explanation of the proposed increase in the monthly customer charge by Kit Carson, the reasoning behind an increased fixed charge vs. a kWh price increase was that the kWh price increase would cause financial problems for the cooperative by not adequately addressing the cooperative's fixed costs. This would happen due to increased or decreased electric use by consumers in times of weather (temperature) extremes vs. periods of mild temperatures. The cooperative would thereby recover greater than fixed cost revenues during extremes and overall high demand, and would incur a shortfall during the other periods, and was written off as impractical because it would in essence be "betting on the weather." This is inherently bad?

If a homeowner refuses to insulate and weatherize their home to make it more efficient, perhaps a loss from their so-called gamble that there won't be any economically punishing weather extremes is in fact appropriate, and if such loss is sufficient, might finally provide the impetus for them to properly insulate their home.

I know of very few businesses that count on making a certain amount every month.

Especially in Taos, many businesses have a positive cash flow some months, and a negative cash flow in other months, yet they learn early on to deal with this unpredictability.

For example, the Taos Ski Valley makes most of its money in roughly 4 1/2 months per year, yet has salaries, maintenance costs, and other "fixed costs" the whole year round.

My gosh, how do they do it?

By saving money during the fat times so they are prepared for the leaner times! Does this constitute a gamble?

In some ways it does, in that they, and other businesses, bet that if they are frugal enough during the good times they will have sufficient revenue to carry them through the leaner times. Since virtually everyone needs electricity, while no one 'needs' to go skiing, it is a pretty good bet that the cooperative will continue to have goods and services that people will pay for, despite hard times.

So there is no big gamble on Kit Carson Co-op's part, only on the part of those consumers who decline to make their homes more efficient and are indeed at the mercy of weather extremes as regards their electricity consumption.

What is the problem with that? Kit Carson is engaging in classic 'double think' of an epic Orwellian proportion by having us believe they are protecting us all by their flat rate customer charge increase vs.

imposing a sufficient kilowatt hour usage increase. They are really protecting the energy wasters, and punishing those who have spent time designing, building, and renovating energy efficient homes.

My 2,300-square-foot home averages 6 to 7 kWh-used per day, which yields a bill of about \$33 per month. The additional \$10.50 fixed fee amounts to a 30 percent increase in my bill, not the average 2.3 percent increase that Kit Carson said would be the average.

I implore Kit Carson to trash this flawed reasoning and do the right thing: Reward frugal users and let the chips fall where they may for those who see no reason (and who, under the proposed fee hike, will continue to see no reason) to conserve power use or invest in making their homes or commercial office space more energy efficient.

Win Smith is a longtime resident of Taos and supports green building solutions.