



# THE TAOS NEWS

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## My Turn

### **KCEC rate adjustment: An inside/outside view**

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I was employed by Kit Carson Electric Cooperative from 2011 to 2014 as public information officer, so the opinions below may reflect a certain amount of bias. Having been involved in many meetings and casual discussions in regard to rates, I have seen the issue both from the inside and the outside. It's pretty amazing how opinions change when you actually have facts to support them.

Kit Carson Electric Cooperative has been serving the communities of north central New Mexico for over 75 years. They are, as the slogan says, owned by those they serve. KCEC is not owned by shareholders, but rather by everyone receiving electricity from the cooperative, including me. That means every family, business, co-op employee and member of the board of trustees has an equal responsibility to maintain quality, safe electric service.

As with any business or organization, they must meet the costs associated with the service provided. We would all love it if the costs of doing business went down. Unfortunately, that is not reality in this day and age. For this reason, KCEC has applied to the Public Regulation Commission (PRC) for a rate adjustment to meet the costs of providing reliable service to its member/owners.

I support them in this application, not through bias, but through knowledge.

From past experience, I know a decision such as this is not taken lightly. Many will recall a few years ago when KCEC applied for a similar rate adjustment. A small minority of members decided to challenge that increase, causing members like me to fork over \$450,000 to win approval of part of the amount needed to maintain system viability.

This, of course, was money that could have been used to maintain the electric system and keep the necessity of another adjustment from occurring.

After having reviewed the independent audit and the current numbers (information that is readily available to members), I'm convinced the rate adjustment is strictly tied to electric service. The fiber optic and propane subsidiaries keep separate books.

The financials are separate for each entity. I have heard the rhetoric around this issue. As far as I'm concerned, it would be a non-issue if the people trying so hard to call attention to themselves would take a look at the readily available numbers.

Having witnessed firsthand the 24/7 operation necessary to bring electricity to every home and business in the three-county service area, I am amazed at the dedication of the men and women who keep the system going.

There is certainly the system of poles, trenches and wires that carry the electricity. That system must be constantly maintained, not only to keep the electricity flowing, but also to ensure that a catastrophic fire does not occur, such as we've seen happen with other co-ops. Tree-trimming and property taxes do not come cheap, but they are necessary. KCEC has crews working diligently to ensure the trees are trimmed and electricity is delivered safely. Property taxes must be paid on all the land the wires cross. Think about it, that's a lot of land.

The infrastructure that provides these services must be maintained whether a member uses 300 kilowatts per month or 3,000. Providing that basic service is the reason there is a base consumer charge on our utility bill. That base charge, when divided among all our members, keeps the electricity flowing. KCEC does not penalize members who use less electricity. In fact, they are leaders in providing the means to that end. The basic fact is, it costs the same amount to bring the electricity to your doorstep, no matter how much you use when it arrives. That is why the base consumer charge exists. It is not a penalty. It is a share we must all bear to receive electric service.

Our state law entrusts the PRC to allow for utilities to charge rates sufficient to cover their reasonable and prudently incurred costs of providing services to their customers.

This is what the basic consumer charge does. In spite of the hyperbole, that charge is in the middle of those charged by other co-ops around the state.

Do I want my electric bill to go up? Of course not! I know what it takes to bring the electricity into my home and I'm willing to pay a little more each month to keep our co-op financially sound. It is why I would not consider protesting what is a financially sound decision for a rate adjustment.

*Steve Fuhlendorf is a resident of Taos.*