

# Kit Carson Electric Cooperative, Inc.

*"Owned By Those We Serve"*



Electric • Propane • Internet • Telecommunication

## Annual Report

## 2009

# Board of Trustees



**Mr. Bobby R.  
Ortega**  
President  
District 2



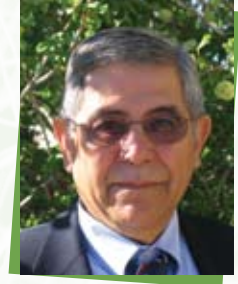
**Mr. Jerry Smith**  
Vice-President  
District 5



**Mr. Bruce  
Jassmann**  
Treasurer  
District 5



**Mr. Cristobal  
Duran**  
Secretary  
District 4



**Mr. Francis  
Cordova**  
District 1



**Mr. Toby  
Martinez**  
District 1



**Mr. Manuel  
Medina**  
District 1



**Mrs. Luisa  
Valerio-Mylet**  
District 1



**Mr. Virgil  
Martinez**  
District 2



**Mr. Arthur  
Rodarte**  
District 3



**Mr. Ambrose  
Mascarenas**  
District 4

# CEO Report



**Luis Reyes**  
Chief Executive Officer



**Alex Romero**  
Chief Operating Officer

*Kit Carson Electric's Board of Trustees and Management are happy to announce that we continue to meet our commitment to our members, continue to provide reliable and affordable electric service, and address the risks and challenges that will face our members now and into the future. With an uncertain and volatile economy and with uncertainty with regulators and legislators with respect to the energy policy we continue to chart a path through our planning processes to ensure we will have the infrastructure and resources to offer reliable electric service in the future, energy efficiency programs, renewable energy resources such as solar and continuously maintain and upgrade our electric system. In 2009, due to the economic downshift in our communities and nationally, our members as well as Kit Carson Electric Cooperative (KCEC) has felt the impact of a poor economy on our energy sales and revenues. We have seen members reduce their electric usage because of both necessity and affordability but also our members are becoming more energy efficient and conservative. KCEC continues to institute best practices for our Cooperative operations, as well as cost cutting measures and cost containment initiatives to ensure we continue to provide the best customer service at the most affordable cost.*

*Our energy efficiency programs have focused on promoting energy efficient products such as water heaters, compact fluorescent light bulbs, Convect air heating, electric thermal storage heating units (ETS) and promoting Time of Use usage strategies. We encourage our members to continue to take advantage of our products, services, and of our incentive programs. KCEC allocates over \$10,000 annually, for the purpose of giving rebates to our membership on a majority of our products. The ultimate goal of KCEC energy efficiency programs is to lower our member's electric bill, better utilize energy in a cost effective way and to enhance the quality of life to our members.*

*KCEC is also committed to promoting renewable energy. The renewable energy of choice for KCEC and its members has been solar energy and will continue to be into the future. The goal of our solar energy program is to make solar energy affordable and accessible to every member of the Cooperative. It is our goal and mission to make solar energy "mainstream". We have implemented several solar programs such as Community, Solar, KCEC owned Solar, PartnerShip Solar (Purchase Power Agreement) and in the future Rooftop Solar. Some of the projects that have been commissioned and that are operating include the 500 kW solar array located at UNM-Taos Klauer campus, the KCEC 100 kW Solar Parking Canopy which is located at the headquarters of KCEC, and the 43 kW system located at KTAO. By the end of the summer the new Town of Taos-Taos Municipal School ECO Park will have a KCEC 100 kW array. We are also pleased to announce that we have proposed projects slated in the coming year in our PartnerShip Solar Program. Chevron Mining, a subsidiary of Chevron Corporation announced that a sister company, Chevron Technology Ventures (CTV), has begun constructing a 1,000 kW concentrating photovoltaic solar facility on the tailing site of Chevron's molybdenum mine in*

*continued*

# CEO Report

*Questa, New Mexico. The facility will include approximately 175 solar panels on about 20 acres of property. The electricity provided will be sold to KCEC through a purchase power agreement. This will become the largest CPV installation in the U.S. and one of the largest in the world. Some of the goals of KCEC regarding renewable energy are to enhance Renewable Portfolio Standards (RPS). Our Community Solar Program will build its first community owned array in partnership with Holy Cross Hospital and the Weimer Foothills Association. This project should be completed during the fall of 2010. Finally our Voluntary Green Power Program continues to be a success. KCEC's Voluntary Green Power Program currently has a total of 3,298 members, which reflects a total of 14,394 blocks which equals 1.4 million kilowatt hours that are currently sold. We encourage our membership to participate in our Green Power Program. Our special thanks to the participants who through their efforts have contributed to the number of blocks sold.*

*KCEC continues to focus on our core business and make the necessary infrastructure improvements required for growth and reliable service. KCEC recently completed several large electrical upgrade projects this year. Some of the areas where major upgrades have been completed include Angel Fire, Ranchos De Taos (West Romero Road), Arroyo Seco, Taos Pueblo, Questa, Penasco, Ojo Caliente and Rodarte. Other smaller projects that were also constructed and completed this year throughout the service area will help reduce outages and increase system reliability. Our tree trimming and maintenance crews have been assigned to different areas within our service territory to aid in the reduction of outages. As a result of our continuing upgrades and maintenance, KCEC has one of the lowest and best outage records in the state of New Mexico.*

*We are proud to announce that even though improvements were made to our system over the past 18 years KCEC members have not experienced a rate increase; however, a cost of service study and rate analysis is being conducted as our cost of doing business as well as regulatory mandates increase. The cost of service will determine what course the Cooperative needs to pursue with regards to rates and the ability for the Cooperative to continue to meet its financial requirements and to continue to deliver the highest reliable service at the most affordable cost.*

*As far as our Division performance, Kit Carson Telecommunications (KCT) has focused on improving and enhancing its network reliability and availability. KCT is also developing plans on offering fiber based broadband service at affordable rates and at the highest broadband speeds available in Northern New Mexico. Our broad variety of services to our members such as WildBlue, DSL, and fixed wireless continued to grow in 2009 and we expect that same increased growth in 2010. We have met our goals and mission to bridge the "Digital Divide" and to provide state of the art telecommunication services for our members at an affordable prices.*

*Kit Carson Propane (KCP) continues to deliver propane in a competitive fashion and meet its goals and objectives of offering affordable, competitive, and safe propane services. In 2010, KCP was moved into a for profit subsidiary which is now known as Kit Carson Energy Inc. (KCEI). KCEI will continue to fulfill its mission to the members of offering safe, affordable and competitive propane service to its members well into the future. In spite of the poor economic situation we face, we continue to set the bar as far as the price per gallon. KCEI will continue to make safety the bellwether for the industry.*

*We will continue to improve our services and operate a transparent and open Cooperative. We will also continue to communicate important issues to our members and do our part in helping our community in becoming energy independent, support a healthy environment for ourselves, our children and for our future and enhance the quality of life for our members. As always it has been our honor and pleasure to have served our members. Thank You.*

# Coloring Contest

**OVERALL WINNER EAGLE NEST ELEMENTARY 3rd Grade CLARA BINGHAM**

Kit Carson Electric participated in a coloring contest sponsored by New Mexico Member Services Association. Second, third and fourth grade students compete in this contest. Judges select an overall winner and one winner from each school and each grade level. The overall winner receives a \$50.00 check, a T-Shirt, a customized plaque and has the opportunity to win a computer. All other winners receive a \$25.00 check. A T-Shirt and a customized plaque. The following students were winners selected from the elementary schools in Kit Carson's service area in 2010:

## Arroyos de Norte

Nina Yuen	2nd
Alma Cortez	3rd
Griffin Arpan	4th

## Eagle Nest Elementary

Elise Hicks	2nd
Clara Bingham	3rd
Malory Wride	4th

## Ojo Caliente

Alyssa Suazo	2nd
Julian Quintana	3rd
Darius Gallegos	4th

## Taos Charter

Micheal Maul	2nd
Matthew Trujillo	3rd
Elena Backus Herrera	4th

## Taos Day School

Zoe Mangum	2nd
Felix Archuleta	2nd
Santana P. Lopez	4th

## Ranchos Elementary

Manuel Herrera	2nd
Alexia Romo	3rd
Pamela Romero	4th

## Enos Garcia

Lauren Montoya	2nd
McKenzie Henderson	3rd
Zahieh Khweis	4th

## Alta Vista

Isabelle Rael	2nd
Derek Vialpando	3rd
Jesus Rael	4th

## Penasco

Mia Duran	2nd
Shayna Esquibel	3rd
Gabriella Fields	4th

## 2010 Washington, D.C. Youth Tour Recipients

Kit Carson Electric Cooperative would like to thank the students who will represent our cooperative and their schools on the Government-In Action Youth Tour in Washington, D.C., in June. Every year KCEC sponsors students from schools whose parents or guardians live in our service area to attend this trip. The students will learn about our government and electric cooperatives, and meet New Mexico's congressional delegation. Congratulations to all.

**Annie Chacon • Elizabeth Estrada • Zoe Larsen • Eva Ketler • MariaLuz Duran**

# Kit Carson Electric Education Foundation, Inc.

In June 1996 Kit Carson Electric Cooperative consumers voted in favor of a bylaw change that allowed the establishment of a charitable foundation for the purpose of charitable assignment of patronage capital unclaimed after a two-year period. The Foundation was incorporated December 13, 1996. The Kit Carson Electric Cooperative Trustees named a representative from each district in the Cooperative's service area to serve on the Kit Carson Electric Education Foundation, Inc. as follows:

**Mr. Rudy Martinez, President, District 1**

**Mr. David Arguello, Vice President, District 2**

**Mr. Steve Archuleta, Secretary/Treasurer, District 3**

**Mrs. Catherine Garduno, District 4**

**Mrs. Diane Steinman, District 5**

The fund began with approximately \$180,000.00. Eighty (80) percent of the fund was earmarked for education and twenty (20) percent for non-profit organizations. Kit Carson Electric Education Foundation is available to qualified high school students who attend either a public or private school and whose parents are members of the Kit Carson Electric Cooperative service area. Scholarships are granted to qualifying high school students who will be attending a recognized and accredited institution of higher education. Applicants are selected by their levels of good character, academic achievement and can demonstrate a coherent degree plan and willingness to pursue a course of higher learning. Over the past 12 years, the Foundation has been proud to help these students achieve their dreams.

Kit Carson Electric is proud to announce that since the inception of the Kit Carson Electric Education Foundation, it has awarded a total of 439 scholarships for a total of \$415,250.00 from 1997 to 2010. The total donations awarded from 1997 through 2010 are 452 donations for a total of \$63,809.95.

# The 2010 Scholarship Recipients

## ***DISTRICT ONE***

Jamie Apodaca  
Angel Nieves Arellano  
Diana Armendariz  
Sandra Chavez  
Brittany Chasteen  
Jalen Johnson  
Dustin Martinez  
Samantha Martinez  
Nekoda Oysler  
Michael Trujillo  
Christopher Vigil  
Louisa Vigil

## ***DISTRICT TWO***

Erica Archuleta  
Amber Gallegos  
Ozzy Henderson  
Monica Quintana  
Felipe Sanchez  
Kelsey Zimmerman

## ***DISTRICT THREE***

Jared Alire  
Lucrecia Chavez  
Mariah Galvez  
Samantha Giron  
Robin Martinez  
Alexandria Vasquez

## ***DISTRICT FOUR***

Holly Inman  
Alexine Lopez  
Victoria Lopez  
Chastity Pacheco  
Julian Rodriguez  
Albert Roybal

## ***DISTRICT FIVE***

Chelsea Church  
Joshua Colenda  
Lewis Gaffney  
Johnny Montano  
Daniel Torres  
Cheyenne Wooldridge  
Chris Duran

***Cristobal Duran***  
***Scholarship***  
Desiree Garcia

# Balance Sheet & Income Statement

## Assets

Utility Plant in Service	\$113,995,634
Construction Work in Progress	3,420,390
<b>Total Utility Plant</b>	<b>117,416,024</b>

Less Accumulated Depreciation	36,590,438
<b>Net Utility Plant</b>	<b>\$80,825,586</b>

NonUtility Plant	684,083
Investments - Assoc. Organizations	6,262,028
<b>Total Other Property &amp; Investments</b>	<b>\$6,946,111</b>

Cash - General	1,014,272
Temporary Cash Investments	1,602,057
Notes Receivable	10,027
Accounts Receivable	7,623,417
Materials & Supplies	2,764,828
Prepayments	66,119
Other Assets	130,394
Deferred Debits	8,088,633
<b>Total Current &amp; Accrued Assets</b>	<b>\$21,299,747</b>

<b>Total Assets</b>	<b>\$109,071,444</b>
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## Liabilities

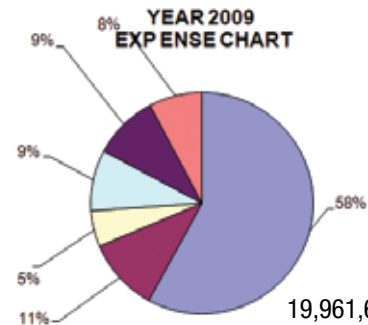
Patronage Capital	\$37,371,797
Other Margins	39,725
<b>Total Margins &amp; Equities</b>	<b>\$37,411,522</b>

<b>Long Term Debt</b>	<b>\$62,313,090</b>
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Notes and Accounts Payable	6,580,188
Consumer Deposits	391,231
Other Liabilities	1,852,066
Total Current & Accrued Liabilities	\$8,823,485
Deferred Credits	523,347

<b>Total Liabilities &amp; Equities</b>	<b>\$109,071,444</b>
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Revenue	\$33,430,522
Cost of Power	19,961,645
Operation & Maintenance Expense	3,683,807
Consumer Accounts Expense	1,800,733
Administrative & General Expense	3,048,411
<b>Total Operation &amp; Maintenance</b>	<b>\$28,494,596</b>
Depreciation Expense	3,248,405
Interest Expense	2,679,833
<b>Total Cost of Electric Service</b>	<b>\$34,422,834</b>
Operating Margins	(992,312)
Interest Income	18,300
Non Operating Margins - Other	(1,154,833)
Other Capital Credits	2,881,851
<b>Patronage Capital or Margins</b>	<b>\$753,006</b>

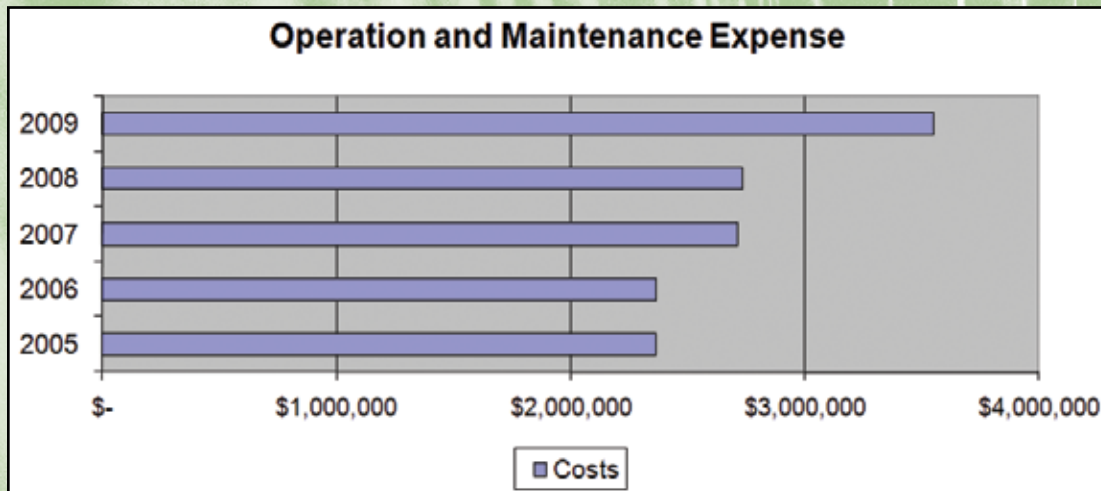
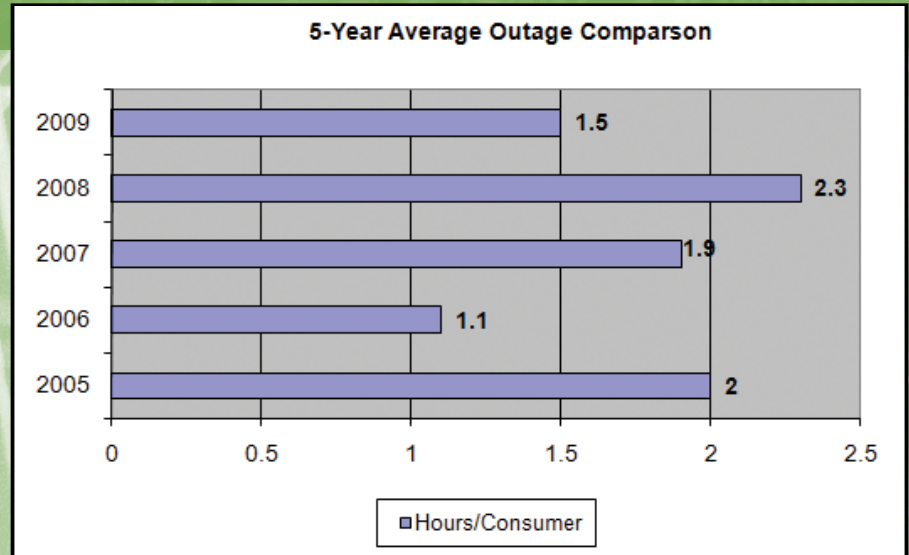


Cost of Power	19,961,645	58.0%
Oper & Maint	3,683,807	10.7%
Cons Accts Exp	1,800,733	5.2%
Admin & Gen'l Exp	3,048,411	8.9%
Depreciation	3,248,405	9.4%
Interest Exp	2,679,833	7.8%
<b>Total</b>	<b>34,422,834</b>	

# Operations & Maintenance Expense

## Operation and Maintenance Expense

<b>2005</b>	\$2,363,046
<b>2006</b>	\$2,363,224
<b>2007</b>	\$2,710,868
<b>2008</b>	\$2,734,262
<b>2009</b>	\$3,551,545



# Questions & Answers

## WHO IS KIT CARSON ELECTRIC COOPERATIVE?

Kit Carson Electric Cooperative is a private nonprofit organization – a rural electric cooperative – owned by its member-consumers. It is incorporated under New Mexico state law and owned by its members. Members are accepted upon application and receipt of electric service. The cooperative is guided by an eleven member Board of Trustees, with each Trustee representing one of the Cooperative's five service districts. Each Trustee is elected for a four year term by the members residing in the service District the Trustee represents. It is this grass roots origin and support that fosters the kinds of policies and objectives at Kit Carson Cooperative that help maintain and improve the quality of life in our region.

## WHAT ARE CAPITAL CREDITS AND HOW ARE THEY PAID?

Any profit over and above the actual cost of operation in any given year is divided among the consumers of record of that year based on the consumers' kilowatt hour usage. These profits are called Capital Credits, and they are accrued each year to an account set up in each consumer's name. Capital Credits are refunded as a cash payment to the consumer and can only be paid to settle the estate of a deceased person, or when a general retirement is made to all consumers during a given year. General refunds of Capital Credits have been made through the year 1979.

## WHERE DOES KIT CARSON GET ITS POWER?

Kit Carson Electric Cooperative buys wholesale electric power from Tri-State Generation and Transmission Association Inc., headquartered in Denver Colorado which is comprised of 12 New Mexico Cooperatives and 32 out of state cooperatives for the purpose of purchasing wholesale electric power at generally lower bulk rates for its members. The New Mexico distribution cooperatives which are members of Tri-State service about 70% of New Mexico's land area and about 800,000 people. Most of the power Tri-State wholesales to its member cooperatives comes from the following generating stations: Craig Station (623.4 MW), Nuclear Station (100 MW), Escalante Station (250 MW), Laramie River Project (1660 MW), Springer Ville Station (1178 MW), Burlington Station (100 MW), San Juan (41 MW), Rifle Station (85 MW), Pyramid Station (40 MW), Knutson Station (140 MW) and Limon Station (140 MW).

## WHAT TO DO WHEN YOUR POWER IS OFF.

If your lights go out, first check lights and appliances in other rooms. If you still have power in some areas, most likely a fuse has blown or a circuit breaker has opened. This indicates a warning of overloaded wiring or a defective appliance. If all lights are off, check to see if your neighbors have power. This will help the Cooperative to determine how widespread the outage may be. Telephone the Cooperative and report the outage. The person who takes your call will record your name, address, telephone number and ask directions to your house. When there is a widespread power outage, Kit Carson Electric Cooperative's telephone lines will be swamped with calls and you will likely get a busy signal. We answer the calls as fast as possible-one after the other. We can only ask that you keep trying. Our emergency numbers are staffed 24 hours a day. Let us know ANYTIME your service is interrupted and we will assist you in checking your power supply. Please keep in mind that if the trouble is on your side and a crew is called out there is a service charge for the call out. Also, please let us know of any other emergency situations you observe, such as damaged or fallen utility poles, lines, insulation, trees on lines, or accidents involving Kit Carson Electric Cooperative's property. If you live in a local area, telephone 758-2258. If you live outside the local area, call toll free 1-800-688-6780. Please use these phone numbers to report outages or emergencies.

# Meet the Employees

## Administration



**Back Row: left to right:** Cathy Hernandez/ Receptionist, Michelle Polanco/ Receptionist, Daniel Trujillo/ Network Adm., Cecilia Quintana/Project Coordinator  
**Front Row: left to right:** Renee Chasteen/General Secretary, Margaret Gonzales/ Executive Secretary, Carmella Suazo/Administrative Assistant, Sara Trujillo/Staff Secretary, Renee Romero/General Secretary, Angela Chavez/General Clerk

## Accounting/Warehouse



**Back Row: left to right:** Paul Martinez/Warehouse Supervisor, Kenny Varos/ Warehouseman, Paul Vallejos/Warehouse Helper, Richard Jeantet/Purchasing Agent, Johnny Valerio/Financial Manager; **Front Row: left to right:** Pauline Mondragon/ Part Time Bookkeeper, Sandra Quintana/Payroll Clerk, Geraldine Romero/Telecom Accountant; Not pictured: Honorio Rael/ Senior Accountant

## Engineering



**Back Row: left to right:** Rick Leon/Staking Agent, David Santistevan/Engineering Dept. Manager, Steven Martinez/Mapping Tech., Alfred Mascarenas/Mapping Tech. Assistant; **Front Row: left to right:** Mariano Valdez/SCADA Operator, John Fernandez/ Staking Supervisor, Richard Martinez/System Engineer;  
**Not pictured:** Juan Trujillo/Staking Agent

## Human Resource/Public Relations/Safety



**Left to right:** Andrea M. Chavez/Acting Human Resource Manager, Andrew Valerio/ Energy Efficiency Auditor, Sally Ortiz/General Clerk, Rodney Arellano/Custodian

# Meet the Employees

## Customer Service



**Back Row: left to right:** Katherine Coca/Cashier, Ophelia Trujillo/Customer Svc. Rep., Carla Casias/Billing Supervisor, Joyce Archuleta/Collection Supervisor, Amanda Maes-Leon/Customer Svc. Rep., **Front Row: left to right:** Yvette Mondragon/Customer Svc. Rep., Lorraine Duran/Customer Svc. Rep., Lynda Martinez/Customer Svc. Supervisor, Annette Rael/Cashier, Nadine Varela/Customer Svc. Rep., **Not pictured:** Tammy Rael/Billing Manager, Rose Marie Apodaca/Customer Svc. Rep., Patsy Calhoun/Collections, Linda Cantu/Customer Svc. Rep./General Clerk, Leonard Griego/Meter Reader Collector, Nelson Tafoya/Meter Reader Collector, Nicole Rodriguez/Customer Svc. Rep., Wanda Munoz/Customer Svc. Rep.

## Mechanics



**left to right:** Tommy Ocana/Mechanic, David Trujillo/Mechanic Helper, Armando Ortega/Mechanic Helper; **Not pictured:** Rudy Mascarenas, Mechanic

## Internet



**Back Row: left to right:** Jose Lovato/Fiber Network Designer, Matt Hoover/Acting Telecom Manager, Mike Nolen/Billing Administrator; **Front Row: left to right:** Martin Dimas/System Admin., David Branchal/Sales & Marketing, Adelaida Dominguez/Telecom Admin., Laura Valerio/Technical Support, Glenn Love/Installation Tech.

## Meter



**Back Row: left to right:** Richard Valerio/4th YR. Apprentice, Gilbert Martinez/Meter Reader, David Medina/Meter Reader, Julian Mondragon/4th YR. Apprentice, Joshua Pacheco/2nd YR. Apprentice; **Front Row: left to right:** Steve Lucero/Journeyman, Ben Sanchez/Meter Reader, Gary Martinez/Journeyman, Audrey Cordova/General Clerk, Robert Martinez/Meter Reader, John Jaramillo/4th YR. Apprentice, Glen Romero/Meter Department Supervisor

# Meet the Employees

## Operations



**Front Row: left to right:** Johnny Gurule/Tree Trimmer, Michael Herrera/Lead Lineman, Matthew Suazo/4th YR. Apprentice, Roy Lopez/2nd YR. Apprentice, Horacio Archuleta/Tree Trimmer, Richard Garcia/ Lead Lineman, Fidel Lopez/2nd YR. Apprentice, Johnny Sisneros/Tree Trimmer; **2nd Row: left to right:** Alex Romero/Chief Operating Officer/Operations Manager, Joe Ortega/Class A Operator, Wayne Valdez/Lead Lineman, Donn Davies/1st YR. Apprentice, John Ortega/2nd YR. Apprentice, Ray Rael/Overhead Supervisor, Dennis Gonzales/Underground Supervisor; **3rd Row: left to right:** Daniel Holterman/2nd YR. Apprentice, Edward Trujillo/Lead Lineman, Carlos Rivera/Journeyman, Gordon Bond/2nd YR. Apprentice, Xavier Gonzales/3rd YR. Apprentice; **4th Row: left to right:** Daniel A. Martinez/2nd YR. Apprentice, Lee Quintana/2nd YR. Apprentice, Leo Ortiz/1st YR. Apprentice, Jaime Mares/Journeyman, Adam Montoya/3rd YR. Apprentice, Christopher Ortega/Tree Trimmer; **5th Row: left to right:** Alonzo Visarraga/Class A Operator, Richard Valdez/Journeyman, William Arko/Lead Lineman, Daniel L. Martinez/Lead Lineman; **Not pictured:** Louis Cardenas/Tree Trimmer, Juan Esquibel/Line Spotter, Michael Archuleta/Tree Trimmer

# Meet the Employees

## Propane



*Joanne Martinez/Manager*



*Robert Iko/Office Supervisor*



*Carla Esquibel/Office Supervisor*



*Frank Gallegos/Field Supervisor*



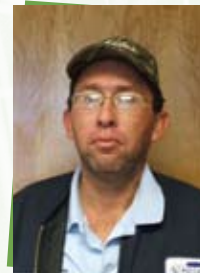
*Gabriel Vasquez/Driver*



*Michael Espinoza/Driver*



*Eleanor Gurule/Data Entry Clerk*



*James Gurule/Meter Reader*

**Not Pictured:** Roy Madrid/Service Tech.



*Benny Martinez/Driver*



*Brian Peterson/Customer Service Rep.*



*Myrna Romero/Customer Service Rep.*



*Ray Terrazas/Driver*



*Lawrence Vigil/Driver*





## General Information

**Mailing Address:** PO Box 578, Taos, NM 87571

**Street Address:** 118 Cruz Alta Road, Taos, NM 87571

## Telephone Numbers

**Offices/Outages/Emergencies:** 1-800-688-6780 • (575) 758-2258

**Customer Service:** 1-800-944-8159 • (575) 751-9064

**Fax Number:** (575) 758-4890 Administration • (575) 758-4611 Customer Service

**Business Hours:** 8:00 a.m.- 4:30 p.m. Monday through Friday, Except Holidays

*Maintenance and Construction Hours: 7:00 a.m. to 4:30 p.m.  
After Hours and holidays-call the number listed for outages or  
emergencies and report to Answering/Dispatching Service*

**Monthly Board Meeting:** Last Tuesday of every month

**Annual Meeting:** Yearly-June-Date to be announced

**Kit Carson Electric Website:** [www.kitcarson.com](http://www.kitcarson.com) • **E-mail address:** [kitcarson@kitcarson.com](mailto:kitcarson@kitcarson.com)

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