

July 28, 2014

Anne Dorough, Board President
Socorro Electric Cooperative
PO Box H
Socorro, NM 87801

Dear Mrs. Dorough,

I read with great interest your July 17, 2014 letter to the editor as well as the letter you recently distributed to all co-op members. It seems that the general theme of both of these letters surrounds, as you state, "the vast sum of money" and minimal benefits associated with a municipal acquisition of Socorro Electric Cooperative (SEC) assets. Please let me remind you that this potential takeover is not of a hostile nature, but rather a response to concerns brought forth by numerous co-op members. Additionally, a careful reading of your written statements suggests how removed you are from both the sentiments of the members and operations of the co-op. In a KOB-TV interview (May 22, 2014), the Chairman of the PRC made the following statement regarding the Socorro Electric Cooperative:

Ben Hall, a PRC commissioner, said he questions SEC's business practices. He said the SEC is the only electric cooperative in his district that's generated consumer complaints. Sometimes, he said he receives one complaint every week.

Despite his concern, he said the PRC can only regulate an electric cooperative's rates, not its politics.

"The PRC's hands are kind of tied when it comes to co-ops," Hall said.

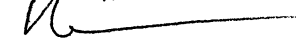
As for the current matter at hand (Foard), he said the SEC does not appear to be listening to its membership on the whole.

Your response to all operational matters pertaining to the SEC has been to maintain the "status quo" by simply requesting to renegotiate a franchise agreement with the City and otherwise refusing to be accountable for the current status of co-op operations.

It should be understood by all parties that the acquisition of SEC assets by the City can be done in a very simple, efficient and inexpensive manner. Should co-op members, by virtue of their ownership in co-op assets, be included in the decision process, the SEC members and City tax payers (in many cases one in the same) will avoid any and all fees and expenses associated with a disputed and contested legal process. It is my contention that co-op members should be given the opportunity to voice their opinion regarding municipal acquisition. I would hope the board and management of the SEC, in accordance with co-op principles, would include the member/owners in this very important process. By allowing the owners to voice their opinion and exercise their right of ownership, both co-op members and tax payers can avoid the unnecessary expense of a disputed acquisition process.

Please understand that should the member/owners of the SEC choose to support the current operations of the SEC as opposed to a municipal acquisition, the City will honor their wishes and resume franchise agreement discussions with the SEC. However, you should also be aware that should the co-op member/owners choose an alternative to what is now being provided by the current board and management of the co-op, the City fully intends to follow through with the acquisition. While serving as Mayor since 1990, I have witnessed first hand what a well-run co-op can mean to a rural community such as Socorro so please understand that this matter is not about, or intended to be about, co-ops in general, but rather the governance of this particular organization.

Sincerely,



Ravi Bhasker, Mayor
City of Socorro

cc: Socorro City Councilors
SEC Board Members
City of Socorro Utility Customers