

Memo To: the Board of Trustees of the Socorro Electric Cooperative

Date: June 25, 2014

From: Doug May

Subject: The SEC needs to compete

I address the Board of Trustees today as a resident of Socorro and a member of the Socorro Electric Cooperative who wants to see the Coop succeed and prosper.

The recent action of the Socorro City Council to investigate alternate sources for electric service creates a situation where residents of the city will be comparing services offered by the City, PNM or others providers. The Coop is in a position where we have to compete with other providers.

The electric service PNM provides for Los Lunas and Belen costs much less than our rates. Having lower rates is not only helpful for residential users, but also for businesses. We want to encourage more businesses to come to Socorro. We are losing many of our talented youth who leave Socorro after their formal education to find work elsewhere.

It is no advantage for the Coop members to accumulate capital credit because they will never be able to use most of them. Our policy for returning capital credits is not user friendly. In fact it is unkind and immoral.

If a member earned capital credits for 50 years he might only receive the credits for the first 25 years. When he dies his heirs will receive the remainder. After age 65, capital credits should be paid out over a five or 10 year period to help people in retirement.

If a residential or business customer moves out of Socorro after, say, 15 years he will never receive his capital credits. The Coop will continue to use this money as collateral for loans for many years without even paying the individual interest on his money. It is immoral not to pay a customer all of his capital credits he has earned when he ceases to be a member.

Thank you for your service,  
Doug May