

Socorro Electric Cooperative members may soon see a slight increase on their electric bills due to the rising costs of producing power. The co-op Board of Directors voted to accept a Term Sheet Agreement with Tri-State Generation and Transmission – from which the co-op purchases its electricity at its Aug. 20 meeting.

A term sheet agreement is a document out-lining terms and conditions of a potential business agreement. SEC Board president Anne Dorough said for the past two years Tri-State has attempted to get a rate increase approved for the 12 electric cooperatives in New Mexico. “Each time, there have been enough cooperatives in the state to file a protest that the New Mexico Public Regulation Commission has put the increase on hold,” Dorough said. “In March, a mediator was appointed and the SEC joined in the SEC Board President Anne Dorough discussions with Tri-State.”

Those discussions resulted in a Term Sheet Agreement which was approved by Tri-State on Aug. 13. After the approval of the Term Sheet Agreement it is used in the preparation of a final agreement.

“We’ve approved the temporary agreement so Tri-State doesn’t have a \$14 million short-fall,” she said. “With the resolution passed by the Board the SEC joins the other eleven cooperatives in New Mexico in support of the agreement. This lets the supplemental rate increase go into effect.”

The bottom line, as far as SEC consumers are concerned, is that the increase amounts to a \$.028 power cost adjustment per kilowatt hour, resulting in an additional \$1.18 to members’ electric bills.

“It’s still not final,” Dorough said. “The PRC still has to agree to it, but all 12 New Mexico co-ops have said they agree to this temporary agreement,”

In other business: The Socorro Electric Cooperative will be under scrutiny for the next few weeks as Aaron Christenson of Smith & Christensen law firm starts his investigation into the turmoil the co-op is experiencing.

Christensen gave made his initial presentation at the SEC board meeting on August 27. He said prior to speaking at the board meeting he met with Socorro Mayor Dr. Ravi Bhasker and co-op board members.

“There is a good amount of skepticism I have to overcome,” Christensen said. “There is distrust among the member and distrust among the board members. It’s too dramatic to be healthy.”

He said the purpose of having a cooperative (as opposed to a privately-owned company) is to provide good service at good rates.

“It shouldn’t be dramatic,” Christensen said.

He said he wanted it to be made clear that he did not represent the board, or any one person, or any group, adding that “the only thing I have is my reputation.”

“I will insist on two things: Complete access to people and complete access to information, he said. “If I can’t do those two things, I’m gone.”

Christensen said he will also look at the co-op’s history of dissention, but will “look back no more than eight or 10 years. There should be no limit to what I can look at.”

“The report will focus on the future and I will have a number of proposals in the final report,” he said. “No one will like everything I have to say. The only goal is to get the ship going in the right direction.” District II trustee Charlie Wagner asked him if he will be suggesting changes to policies or bylaws.

“If it’s important it needs to be addressed,” Christensen said.

He said he expected the investigation period to last no more than two months.

Comments may be submitted through an email on the co-op’s website. Click on “Board of Trustees Auditor’s Comments” on SEC’s home page. The direct link is

<http://www.socorroelectric.com/content/board-trustees-auditor-comments>

“Your comments will be confidential, if you want them to be,” Christensen said. “Or, if you want you can choose to let them to be made public. All comments, pro or con or whatever, will be taken seriously.”

Kathy Buhl, representing the Cooperative Finance Corporation, reported that the co-op’s request for \$263,000 from the CFC Integrity Fund has been approved.

She said the CFC’s Integrity Fund serves as a resource to the rural electric program to support the efforts of cooperatives to resist threats to the integrity of their service territory.

“The grant money is to protect the geographical integrity of the co-op from hostile takeovers,” Buhl said.

She confirmed that the CFC will give the Socorro Electric Cooperative \$263,000 a year - with a lifetime cap of up to \$600,000 – for legal fees to fight the City of Socorro’s attempt to cancel its franchise agreement with the SEC and seek power elsewhere.

Wagner asked Buhl if this was being done without approval from the members.

“We respond to the Board of Directors,” Buhl replied. “The members elect their trustees to represent them. They do have a voice.

“We want to preserve the integrity,” she said.

Wagner pointed out problems with the board the members have expressed.

“It’s a political issue. I believe the co-op is preferable to the alternative, but members should be able to vote every year,” he said. “One person, one vote.

Some members have voted more than once.”

Also at the meeting, the board voted to deny Wagner’s request to change the date and time of the District II annual meeting. Wagner asked to change it to Saturday, Nov. 15 either at Macey Center or Fidel Center with registration from noon to 2 p.m. and the business meeting from 2 to 5 p.m.

The change was rejected on the grounds that District III members are having their meeting at Finely Gym on the same day. The District II meeting will remain on Oct 11 at the Magdalena Fire Arts Center, with registration at 1 p.m. and the business meeting at 3 p.m.