

Your monthly report from Your Socorro Electric Cooperative, Inc.

An early evening sunset illuminates some of the many structures used by SEC.

Photo credits: Rauni Montoya

USDA/RUS \$28 Million Loan Approval Provides for System Improvements

The recent news release from the United States Department of Agriculture (USDA) announcing the \$28 million loan to SEC is great news for our Members. The approval of this loan provides the funds for the continuing improvement in the plant - poles, wires, meters, transformers, etc. - SEC uses to provide reliable power to our Members.

SEC operates under the Rural Utility Services (RUS) guidelines, which is a part of the USDA, therefore, SEC must present a carefully considered plan and process for system improvements called a Construction Work Plan (CWP). The CWP recommends changes to the current system that are necessary to provide continued reliable, efficient and safe electric service to our Members. The CWP is required by RUS to provide detailed support for the timeline and the funding required of the planned projects, which becomes the basis for the loan request.

Once the loan supporting the CWP is approved, SEC can begin the construction of the specific projects outlined in the CWP. The approval of the RUS loan does not put money in the bank immediately for SEC, we must **first spend the funds** to construct these projects and **then SEC submits for reimbursement** from RUS. So you can see the cash flow from electric sales, at the current rates, must be sufficient to provide for current operating expenses **and** these new capital projects until funds are reimbursed from RUS.

A key component of this CWP is the continuation of "smart grid" technologies SEC began employing about five years ago with the Automated Metering Infrastructure. These 21st century meters will also allow us to implement an Automated Outage Management System. This system will notify us in a matter of seconds of any power outage and pinpoint the exact location of the outage. This will direct our linemen closer to the source of trouble resulting in the expedited restoration of power. Our hope is this will dramatically reduce the time of any single outage on our system.

While the CWP includes normal maintenance items such as the replacement of aging poles, the upgrade of older and smaller conductor sizing to accommodate load growth, and the addition of several voltage regulators throughout the system, it also contains specific projects design to improve our system that serves our 10,000 square mile service area.

Two larger projects include replacing the 69,000 volt transmission line from Socorro to Magdalena and upgrading the Magdalena Substation. Both facilities serve a large portion of our western service area which includes Magdalena, Alamo, Datil, the Very Large Array and surrounding areas. The transmission line will be constructed with steel poles set in concrete with an estimated \$9 million cost. The new route will move the line closer to Hwy 60 from Socorro to Magdalena in an effort to prevent structure washouts during monsoon rains. The substation upgrade is expected to cost about \$2 million.

Your
**SOCORRO ELECTRIC
COOPERATIVE, INC.**

\$\$\$ 2019 CAPITAL CREDITS ALLOCATED TO SEC MEMBERS \$\$\$

We all get electric bills, but one unique characteristic of being a cooperative Member is sharing in the “profits” or margins (revenue less expenses) of the cooperative. This is not done with municipal or investor owned electric utilities as they operate under a different business model. Cooperatives operate for the benefit of their Members and follow the Seven Cooperative Principles.

The 3rd Cooperative Principle is “**Member’s Economic Participation**” which is called Patronage Capital or Capital Credits. Capital Credits are the *pro-rata* allocation of these margins to our Members resulting from the operations of SEC during 2019. On your August and September bills you will see a statement reflecting the amount of your allocation of Capital Credits for 2019.

Your portion of this allocation is determined by the amount of your electric use for 2019 and represents your share of ownership in the cooperative. For more information on what Capital Credits are please see a more detailed explanation on our website at www.socorroelectric.com under the “Your Co-op” tab.

CONTACT US

WEBSITE

www.socorroelectric.com

PHONE

800-351-7575 or 575-835-0560

PAYING YOUR BILL

You can make your payment over the phone by check or major credit card, 24 hrs. a day, 7 days a week with our IVR phone system at no charge.

OFFICE HOURS

Monday through Friday
8:00 a.m. to 4:30 p.m.

REPORTING AN OUTAGE

Before reporting a power outage, please check the circuit breakers in your house first. If you still do not have power after checking your breakers, please call **(575) 835-0560, (800) 351-7575 or 855-881-8159.**

If you get a busy signal, it is an indication that someone else is experiencing an outage as well; however please continue to call, this will help us pinpoint the problem.

MEMBER SERVICE/BILLING

Marilyn Madrid - Member Service Supervisor
575-835-0560 Ext 1504

ACCOUNTING

Rauni Montoya - Accounting Supervisor
575-835-0560 Ext 2502

LINE EXTENSIONS

Bill Harris - Staking Technician
575-835-0560 Ext 2503

MARKETING & PUBLIC AFFAIRS

Jimmy Capps - Director of Communications & Public Affairs - 575-838-9724
jcapps@socorroelectric.com

July 2020 Board Report - the Board met via teleconference....

- approved the submission by BSGM to conduct the 2019 financial audit.
- decided to cancel the SEC 2020 Annual Meeting in response to the Governor of New Mexico's Executive Health Orders.
- set the next Board Meeting for August 26, 2020 at 2:00 p.m.

***SEC offices will be CLOSED for the Labor Day Holiday
on Monday, September 7, 2020***

SEC Employee Comes to the Rescue

Years of paying attention to detail while patrolling SEC power lines came in handy recently for SEC Lineman, James Lizer, who works in our Quemado Field Office. When James spotted a new addition running around in SEC's material yard, he suspected this might be the missing canine he saw on social media. A quick call to Connie Orona, Lilly's owner, confirmed this was the missing pet. SEC received a very nice note from Connie that we would like to share here:

"The reward and my eternal thanks goes to James from SEC for finding my little girl "Lilly" after I lost her. On Monday, we got a call from James who said she was at the yards in Quemado. He stated he could not get her so I asked if he could wait until I got there. When we arrived, he was sitting in his SEC truck at the gate. He said she was under a truck in the carport. I called and she came out from some stuff in the corner. Thank you James and all in Catron County who came out in force to find Lilly. She is very happy to be home. Connie Orona.

We appreciate the kind note from Connie and all our employees who go the extra mile in serving our Members and the communities we serve. Nice job James!



SEC Member Connie Orona and "Miss Lilly" are reunited.