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SENATE BILL 597

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO PUBLIC UTILITIES; ALLOWING CERTAIN PUBLIC UTILITIES
TO MAKE RATE ADJUSTMENTS WITHOUT A HEARING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 62-8-7.1 NMSA 1978 (being Laws 1985,
Chapter 221, Section 3, as amended) is amended to read:

"62-8-7.1. HEARING PROCEDURES FOR CHANGE OF RATES OF
SMALL WATER AND SEWER UTILITIES. --

A. Whenever there is filed with the commission any
schedule proposing any new [~~rate-or~~] rates pursuant to Section
62-8-7 NMSA 1978 by any public utility as defined in Paragraph
(3) or (5) of Subsection G of Section 62-3-3 NMSA 1978 whose
annual operating revenues averaged less than five hundred
thousand dollars (\$500,000) over any consecutive three-year
period, the [~~rate-or~~] rates shall become effective as proposed

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1 by the utility without a hearing; provided that the utility
2 shall be required to give written notice of the proposed rates
3 to the ratepayers receiving service from the utility at least
4 sixty days prior to filing the proposed rate change with the
5 commission and provided further that the commission shall enter
6 upon a hearing concerning the reasonableness of any proposed
7 rates filed by such a utility pursuant to Subsections C and D
8 of Section 62-8-7 NMSA 1978 when any rate increase would have
9 the effect of increasing the [~~rate or~~] rates fifty percent or
10 more in any twelve-month period or upon the filing with the
11 commission of a protest seeking review of the proposed [~~rate~~
12 ~~or~~] rates signed by ten percent or more of the ratepayers re-
13 ceiving service from such a utility. For purposes of this
14 section, each person who receives a separate bill equals one
15 ratepayer and each person who receives multiple bills equals
16 one ratepayer. The petition shall be signed by the person in
17 whose name service is carried. The petition shall be filed no
18 later than twenty days after the filing with the commission of
19 the schedule proposing the new rates. In all other respects,
20 Section 62-8-7 NMSA 1978 shall apply to such water utilities.
21 If a utility provides both water and sewer service, the annual
22 operating revenues attributable to the provision of water
23 service only shall determine whether the procedures specified
24 in this section shall apply to any schedule proposing any new
25 [~~rate or~~] rates for water service, and the annual operating

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1 revenues attributable to the provision of sewer service shall
2 determine whether the procedures specified in this section
3 shall apply to any schedule proposing any new ~~[rate or]~~ rates
4 for sewer service.

5 B. Whenever a schedule is filed with the commission
6 proposing a new rate pursuant to Section 62-8-7 NMSA 1978 by a
7 water or sewer public utility as defined in Paragraph (3) or
8 (5) of Subsection G of Section 62-3-3 NMSA 1978 whose annual
9 customer service connections average less than five thousand
10 over any consecutive three-year period, the rates provided in
11 this subsection shall be effective as proposed by the utility
12 without a hearing; provided that the utility has to give
13 written notice of the proposed rates to the ratepayers
14 receiving the service from the utility prior to filing the rate
15 change with the commission:

16 (1) ratepayer customer charges, commodity
17 prices and meter installation and miscellaneous approved fees
18 may be increased by the utility in proportion to the increase
19 in the federal department of labor consumer price index, all
20 urban consumers, all items, for the periods since the last
21 company rates were approved by the commission and, in the same
22 manner, annually thereafter; provided that such rate
23 adjustments are reported by the utility to the commission
24 within thirty days after the adjustments have been made by the
25 utility;

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1 (2) increased costs by increases in the
2 approved commodity rate for ratepayers effective on the date
3 the third-party increases were incurred for contractual
4 increases in costs of purchased water from unaffiliated third
5 parties, including water purchased for emergency outages due to
6 infrastructure or aquifer failures; provided that such rate
7 adjustments are reported by the utility to the commission
8 within thirty days after the adjustments have been made by the
9 utility; and

10 (3) increased costs of electric rates and
11 associated fees by electric cooperatives or utilities for
12 purchased power effective the date such increases are incurred
13 by adjusting rates; provided that such rate adjustments are
14 reported by the utility to the commission within thirty days
15 after the adjustments have been made by the utility."

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