

A MEMORIAL

REQUESTING THE PUBLIC REGULATION COMMISSION TO STUDY THE BILLING PRACTICES OF PUBLIC UTILITIES, INCLUDING OVER-COLLECTION AND UNDER-COLLECTION.

WHEREAS, public utilities, including rural electric cooperatives, have a responsibility to collect their costs of service through rates approved by the public regulation commission from customers receiving electric service in New Mexico; and

WHEREAS, occasionally there are billing errors due to administrative or clerical error, system failure, improper installation or malfunction of electric meters or other causes that result in an under-collection or over-collection of revenues from customers; and

WHEREAS, a public utility's failure to collect from a customer the full amount of revenues authorized by the public regulation commission for the service that has been provided creates a burden upon other customers; and

WHEREAS, a public utility that has not discovered a billing error for a long period of time results in a significant shortfall of revenues to offset the actual cost of service and thereby imposes additional costs on the other customers; and

WHEREAS, in at least one instance, a utility failed to

collect several millions of dollars over a nearly three-year period from a customer due to an improperly installed meter by the public utility's power supplier; and

WHEREAS, the matter was ultimately resolved with full payment of the amounts due to the utility;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the public regulation commission be requested to investigate the frequency of billing errors resulting in a significant under-collection of money owed to public utilities; and

BE IT FURTHER RESOLVED that the public regulation commission study the cause and frequency of billing errors by public utilities that result in a significant under-collection of revenues and the resulting impact on all of the public utility's customers, and that the commission report its findings, conclusions and remedies to the legislative finance committee and the New Mexico legislative council by December, 2006; and

BE IT FURTHER RESOLVED that the public regulation commission determine and report to the legislative finance committee and the New Mexico legislative council, with respect to significant under-collections of money from a customer how and in what manner the public utility will refund money to its customers at the time that collection is finally made and what, if any, obstacles would prevent the public utility from

immediately refunding this money to those customers who were adversely impacted by the under-collection; and

BE IT FURTHER RESOLVED that the public regulation commission report to the legislative finance committee and the legislative council on the number of significant under-collections that have occurred by a public utility in the past three years, the cause for such under-collections and the manner in which each instance was resolved and how customers were protected from the adverse impact of the public utility's failure to initially collect the proper amount; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the public regulation commission, the chair of the legislative finance committee and the co-chairs of the New Mexico legislative council.