

1 A MEMORIAL

2 REQUESTING THE NEW MEXICO LEGISLATIVE COUNCIL TO DIRECT THE
3 APPROPRIATE LEGISLATIVE INTERIM COMMITTEE TO CONDUCT A STUDY
4 OF THE ADEQUACY OF THE PROTECTION OF NEW MEXICO CONSUMER
5 INTERESTS WITH RESPECT TO CURRENT REGULATION OF GENERATION
6 AND TRANSMISSION COOPERATIVES.

7
8 WHEREAS, pursuant to Section 62-6-4 NMSA 1978, a
9 generation and transmission cooperative may propose rates to
10 the public regulation commission in the form of an advice
11 notice to be filed with the commission and served on the
12 generation and transmission company's member utilities; and

13 WHEREAS, the advice notice is not required to contain
14 any report by the generation and transmission cooperative of
15 the specific costs that justify the proposed rates; and

16 WHEREAS, the generation and transmission cooperative is
17 not required to provide any other cost of service information
18 to its member utilities or to the commission with respect to
19 the proposed rates; and

20 WHEREAS, the public regulation commission is not
21 permitted to conduct a hearing to review the rates proposed
22 by a generation and transmission cooperative unless three
23 utilities that are members of that cooperative file protests
24 of the proposed rates with the commission within twenty days
25 of filing the advice notice; and

1 WHEREAS, because hearings and reports with respect to
2 proposed rates are not often required of a generation and
3 transmission cooperative, member utilities cannot obtain any
4 cost of service information in a timely manner regarding the
5 reasons for the proposed rates; and

6 WHEREAS, the provision of reports by generation and
7 transmission cooperatives to the commission and to their
8 member utilities that contain cost information with respect
9 to rates proposed by the generation and transmission
10 cooperatives might promote an increased understanding among
11 the commission members and the member utilities of the
12 reasoning for proposed rates; and

13 WHEREAS, increased communication among generation and
14 transmission cooperatives and their member utilities might
15 reduce protests of rates that those cooperatives file with
16 the commission;

17 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
18 STATE OF NEW MEXICO that the New Mexico legislative council
19 be requested to direct the appropriate legislative interim
20 committee to conduct a study of the adequacy of protection of
21 New Mexico consumer interests with respect to the current
22 regulation of generation and transmission cooperatives, which
23 may include the exploration of options to promote the
24 provision of additional information to the public regulation
25 commission and to utilities that are members of generation

1 and transmission cooperatives regarding the basis and
2 justification for rates that those cooperatives propose and
3 the associated costs that they are intended to offset; and

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

7 _____

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25