

A MEMORIAL

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

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

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

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

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

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

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

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

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

members of generation and transmission cooperatives regarding the basis and justification for rates that those cooperatives propose and the associated costs that they are intended to offset; and

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