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FISCAL IMPACT REPORT

ORIGINAL DATE 03/04/11

SPONSOR Griego, E.G. LAST UPDATED _____ HB _____

SHORT TITLE Study Natural Gas Shortage Outage SJM 20

ANALYST Baca

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	None		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Joint Memorial 20 requests the New Mexico Legislative Council assign to the appropriate legislative interim committee the task of inquiring into the planning for and response to the natural gas outage of February 2011.

FISCAL IMPLICATIONS

SJM 20 does not contain an appropriation. It is anticipated that costs for the activities will be carried out using existing interim committee resources.

SIGNIFICANT ISSUES

During an early February 2011 cold spell, nearly thirty thousand New Mexicans lost access to natural gas service. This loss of service endangered lives during a period of record low temperatures in New Mexico and has resulted in millions of dollars worth of damage due to burst water pipes and loss of business. The New Mexico Gas Company was unable to import enough natural gas to meet demand due to the shutdown of several compressors on the transmission lines in Texas thus creating undue hardships on New Mexicans.

While acknowledging the outage may have been beyond the New Mexico Gas Company's control, SJM 20 states the company should have been better prepared to have avoided this dangerous and health endangering situation. The memorial further states that it is "in the state's best interest to ensure that, to the extent possible, crisis such as the natural gas outage are

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prevented, that the damage is minimized by a well-coordinated and robust response and that the recovery from such a crisis is efficient.”

RELATES

SJM 20 relates to HB 452 which creates a task force to address the issues raised in the memorial.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The task may not be assigned to an interim committee unless one is formed pursuant to HB 452.

LRB/mew