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HOUSE MEMORIAL 39

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Ben Lujan

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

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1 customer the full amount of revenues authorized by the public
2 regulation commission for the service that has been provided
3 creates a burden upon other customers; and

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

9 WHEREAS, in at least one instance, a utility failed to
10 collect several millions of dollars over a nearly three-year
11 period from a customer due to an improperly installed meter by
12 the public utility's power supplier; and

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

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

20 BE IT FURTHER RESOLVED that the public regulation
21 commission study the cause and frequency of billing errors by
22 public utilities that result in a significant under-collection
23 of revenues and the resulting impact on all of the public
24 utility's customers, and that the commission report its
25 findings, conclusions and remedies to the legislative finance

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1 committee and the New Mexico legislative council by December,
2 2006; and

3 BE IT FURTHER RESOLVED that the public regulation
4 commission determine and report to the legislative finance
5 committee and the New Mexico legislative council, with respect
6 to significant under-collections of money from a customer how
7 and in what manner the public utility will refund money to its
8 customers at the time that collection is finally made and what,
9 if any, obstacles would prevent the public utility from
10 immediately refunding this money to those customers who were
11 adversely impacted by the under-collection; and

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

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