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HOUSE MEMORIAL 40

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

INTRODUCED BY

Ben Lujan

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

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1 not required to provide any other cost of service information
2 to its member utilities or to the commission with respect to
3 the proposed rates; and

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

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

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

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

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