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HOUSE MEMORIAL 55

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

INTRODUCED BY

Richard D. Vigil

A MEMORIAL

REQUESTING THE PREPARATION OF A REPORT AND PROPOSED ACTION PLAN TO ADDRESS THE COST OF NATURAL GAS UTILITY SERVICE FOR CAPTIVE, SMALL MUNICIPALITIES.

WHEREAS, small New Mexico municipalities that own and operate utility systems are at a distinct disadvantage in controlling the cost of utility services passed on to their residents; and

WHEREAS, the recent increase in energy costs has exacerbated this disadvantage and because the small municipalities have limited resources and options, they are not able to adequately protect their residential customers; and

WHEREAS, residents of small New Mexico municipalities that own, operate and provide utility services where access to open markets for the acquisition of natural gas is controlled solely

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1 by a third-party private owner are at an even greater  
2 disadvantage; and

3 WHEREAS, municipally owned natural gas utilities should be  
4 afforded the authority to control the costs passed on to  
5 residents and to control their own destinies, and this  
6 authority should be granted in conjunction with the regulatory  
7 controls recognized by the Public Utility Act; and

8 WHEREAS, the city of Las Vegas owns and operates a natural  
9 gas utility, including fifty miles of natural gas transmission  
10 pipeline; and

11 WHEREAS, the recent acquisition of forty miles of pipeline  
12 between Las Vegas and Raton by a third-party private owner has  
13 severely limited the access of the city of Las Vegas to the  
14 open market, increased Las Vegas residential utility costs and  
15 cost Las Vegas residents hundreds of thousands of dollars in  
16 transmission, administrative and litigation costs, all in an  
17 attempt to gain access to natural gas markets; and

18 WHEREAS, the city of Las Vegas desires access to natural  
19 gas markets to control its own destiny and to control the costs  
20 passed on to residents; and

21 WHEREAS, the legislature of New Mexico has previously  
22 recognized a similar need with respect to the cities of Rio  
23 Rancho and Las Cruces in legislation adopted in 1995 and 1997,  
24 respectively;

25 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF

.162532.1

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1 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the New Mexico  
2 municipal league, in conjunction with the city of Las Vegas and  
3 other interested municipalities, prepare a report and proposed  
4 action plan to address the urgent needs of captive, small  
5 municipalities to reduce or stabilize the cost of natural gas  
6 utility service to their residential customers and present the  
7 report and action plan to the appropriate interim committee by  
8 October 2006; and

9 BE IT FURTHER RESOLVED that copies of this memorial be  
10 transmitted to the New Mexico municipal league, the public  
11 regulation commission and the mayor of Las Vegas.

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