

NEW MEXICO PUBLIC REGULATION COMMISSION

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NEWS RELEASE

PNM's Application to Raise Residential Rates Unanimously Rejected by the PRC

All five members of the New Mexico Public Regulation Commission (PRC) voted to reject Public Service Company of New Mexico's (PNM) application to increase electrical rates for the company's residential customers during the Commission's case management meeting held Wednesday afternoon, May 13.

The Commission collectively agreed with PRC staff assertions that the application submitted by PNM was incomplete and, as stated by PRC Hearing Examiner Carolyn Glick, the state's largest utility company failed to provide adequate information pertaining to how PNM calculated their estimated costs, and neglected to provide the PRC and interveners with electronic accessibility to many documents.

PRC General Counsel Attorney Judith Amer further explained that such access is essential for PRC staff and others to effectively inspect the authenticity of cost estimates submitted to the PRC by any utility.

The Commission's decision to reject the application submitted by PNM instructs the utility company to file a new application by September 1.

The proposed rate increase sought to increase the base charge to residential customers by \$7.80, and more than 16 percent in monthly charges. PNM's proposal also requested fees for new solar customers ranging between \$21 and \$26 to connect to the electrical grid.

"By any means, our decision is not a rejection of PNM's rate increase request," Commission Vice Chair Lynda Lovejoy stated. "It is simply a procedural matter to have PNM resubmit their application, using more recent base period data. It's my opinion that the hearing examiner and counsel were thorough in combing thorough information."

"I feel like this is the proper thing to do on this particular filing, and we look forward to PNM re-filing their rate case and see if we can find a balance between the company and consumers," said Commissioner Patrick Lyons. "It is our job to balance affordable rates and reliable service to the people of New Mexico."

Commissioner Valerie Espinoza said, "Because many numbers and assumptions were combined to produce PNM's proposed rates, an intervener or staff may have wanted to change the particular number, which would have changed the resulting rates and, thus, consumers would have been the first to be hit by the impact of the rate increase. The application was incomplete, and the FTY Rule requires estimates to be fully identified. After exhausting debate, I'm grateful for the unanimous decision."

A separate order pertaining to setting a limit to how far out future test periods can proceed was tabled by the Commission.

About the NMPRC

The NMPRC regulates public utilities, telecommunications companies and motor carriers operating in the State of New Mexico. It also administers the State Fire Marshal's Office, the New Mexico Firefighters Training Academy in Socorro, N.M., and the Pipeline Safety Bureau.

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