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Rules on cutting off utilities to poor reviewed

By Walter Rubel Santa Fe Bureau Chief
Las Cruces Sun-News

SANTA FE — On the same day that the Public Regulation Commission took a procedural step toward consideration of a rate-increase request by PNM, a national expert advised that it clarify its laws to protect the poor and vulnerable from having their utilities shut off.

Charles Harak, senior attorney for the National Consumer Law Center's Energy Product, described New Mexico laws protecting consumers from utility shutoffs as are "kind of in the middle of the pack," in comparison to other states.

Harak gave a presentation to commissioners at their meeting Tuesday morning, then later presented a workshop for staff in the afternoon.

New Mexico rules require that utilities attempt to arrange a payment plan before termination. There are also rules that set the framework for and the factors to be considered in a settlement agreement for past-due bills.

All of that is good, Harak said. But, he was critical of that part of the law that precludes "chronically delinquent" customers from taking advantage of the settlement rules. Chronically delinquent is defined in the law as someone who has been shut off once or been late with payment three times in the last 12 months.

There are exceptions for the poor, the elderly and in special circumstances, Harak said, leading to the possibility of a wide range of interpretations.

Harak said that in most instances, it is to the benefit of both the customer and the company to reach a settlement. He said excluding people from participating in the process is not to anyone's benefit.

"The chances of collecting from low-income people once you shut them off are awfully small," he said. "It's better to try to reach agreements with as many as possible."

Harak lauded the bill passed in the 2005 special session that provides a moratorium on shutoffs between Nov. 15 and March 15. But he said that with heating costs increasing, many consumers were behind on their bills when the moratorium period ended.

"What that means in a time of higher prices is obviously you have a lot of people with larger arrearages this spring and into the summer then you probably had a year ago," he said. "The number of first behinds' is just growing. It's creeping up into the working class and the lower-middle class."

Commissioner E. Shirley Baca of Las Cruces noted recent comments to the media by PNM CEO Jeff Sterba about the end of the days of low-cost energy. She said the PRC needs to promote "marketplace justice."

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