New Mexico Public Regulation Commission

Agenda

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• Overview of NMPRC rules and regulations
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• Recent changes affecting electric coops
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  • 09-00165-UT Declaratory Order 09-27-11 affecting time for back billing, consumer refunds, and commercial deposit requirements.

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Welcome

Introduction

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I may have met many of you during the consumer complaint handling process, please introduce yourself for the group.
Consumer complaint handling jurisdiction of CRD

• Insurance - Life, annuities, dental, medicare supplement, long term care, credit life and disability, property and casualty: auto, home insurance complaints. Aftermarket warranties/guarantees for both homeowners and automobile policyholders.

• Transportation – billing issues for towing companies, ambulances, limousines, and taxis.

• Utilities – including natural gas, propane, investor-owned water and sewer, and electric companies, electric coops. Propane service.

• Telecommunications – landlines and limited service issues over cellular.

Lots of areas to track – keeps us busy.
Overview of NMPRC rules and regulations

Regulated entities are regulated externally by the NMPRC’s rules and Legislative Statutes.

There are 2 “all encompassing” rules which cover electric coops.

Consumer Protection Rule 410                      Electric Service Standards Rule 560

Each coop has their own “company specific” rates, rules, forms, advice notices submitted to the Commission.

Changes to any of the above are effective within 30 days if there are not at least 25 member protests. The Coop publishes the proposed change in the Enchantment magazine for members to review.

If there are greater than 25 protests, there is a hearing, with NMPRC Commissioners deciding reasonableness of change.
Recent changes affecting electric coops

Rule 410 was recently updated and went into effect June 15th after 3 years of discussion. Major changes:

17.5.410.14 FINANCE, SERVICE, CARRYING, PENALTY AND SPECIAL SERVICE CHARGES:
B. A utility shall not impose on residential customers a late fee for unpaid amounts due for utility service that is greater than eight percent (8%) on an annual basis, and shall not impose or commence accruing any late fees until at least sixty (60) days after a residential customer’s bill becomes due.

17.5.410.23 PUBLIC NOTICE OF RESIDENTIAL CUSTOMER RIGHTS:
O. a statement that members of New Mexico tribes or pueblos who need help with translation of with other matters may contact the director of the commission’s consumer relations division at (888) 427-5772, who will contact the appropriate tribal or pueblo official for assistance.
Rule 410 continued

17.5.410.43 MEDICAL CERTIFICATION FORM:

NOTE: In order to continue to receive utility service, you must complete both parts of this medical certification form and a financial certification form. This certification is valid for ninety (90) days from the signature date of the medical professional.

I, [insert printed name of residential customer], hereby certify that I am the person responsible for the charges for utility service at [insert service address] that a seriously or chronically ill person, [insert name of seriously or chronically ill person] resides there, and that I am financially unable to pay my bill at this time. I understand that this certification does not relieve me of the responsibility to pay my bill, and that I must reapply for financial 17.5.410 NMAC certification at least every ninety (90) days. In addition, I understand that I may make payment arrangements with [insert name of utility].

(“may” is new, this was “must” in the previous version of 410)
Issues on the horizon that could affect electric coops

09-00165-UT Declaratory Order 09-27-11 (please submit comment)

• NOPR to set a time limit for back billing and consumer refunds
  • The proposed amount of time is 3 years both ways.

• Change to commercial deposit requirements.
  • Commissioner’s desire to help out small businesses in today’s economy.

• Currently most coops and investor owned electric utility companies charge 2.5 times (250% of the highest month of the previous year)

• Understanding is that the Commission may want to get this closer to 100% of the highest month of previous year. Similar to collecting “first and last month’s rent” when renting an apartment.
Agency & CRD Goals

• New leadership. Accountability to the taxpayer.

• Transparency, open government (website)
  • listing NOPR’s meeting schedule, rates, rules, etc.

• Cost savings – running mean and lean.

CRD’s goals:

Provide flow charts of the processes for disconnections, payment plans, etc, for staff, industry and the consumer. Change from statutes “legal” jargon to more easily understood documents. Make them more “black and white” and less open to interpretation and disagreement.

Work with industry, not against them. Try to get folks to pay something if behind on their bills. Open 3 way communication with CRD, consumer and industry, so everyone benefits.
Complaint handling ideas, Q & A

• Informal handshake agreements such as deposit amortization, see if the deposit requirement can be waived 1 time only “get out of jail free” on late payments. Not under obligation to do so.

• It makes sense financially to solve issues informally than go before the commission.

• Improve staff, industry, consumer’s understanding of rules, so less misunderstanding.

• CRD requests legal interpretation of rules at times. CRD to participate in future NOPRs are we “live” the situations everyday.

• Your ideas on improving the process. Questions?
Notes

• For consumers who qualify for LIHEAP, submit a medical certificate AND are actively participating in a payment plan. They can break that plan and cannot be shut off. Loophole?

• This bad debt expense can be recover in your next rate increase.

• You can also seek legal attention for property liens.

• CRD’s Sheila Shaffer retiring tomorrow.

• 2 Spanish speaking staff members (including myself) for translation and assisting consumers.

• Social media announcements, outages.