



NEW MEXICO
**PUBLIC REGULATION
COMMISSION**

2023 Annual Report

Key Accomplishments

This has been a year of positive change at the New Mexico Public Regulation Commission. In January, three new commissioners stepped through the doors of the Bokum Building in Santa Fe and took on the challenge of shifting the agency to align with its new constitutional mandate. Since that time, the agency has undergone a drastic shift in its operations and New Mexico has begun to see a shift in how utilities are regulated. The Commission and new agency leadership bring a fresh perspective to the NMPRC's role in New Mexico and are setting ambitious goals for growth, administrative rulemaking, and regulatory certainty.

A key focus of the agency during 2023 has been providing staff support, restructuring the agency to reinforce its mandate, and filling vacancies. In January the agency was experiencing a 20 percent vacancy rate. With agency adjudicatory cases increasing and staff already facing insurmountable workloads, filling these vacancies was a crucial and urgent need. By October the agency filled the majority of those vacancies, improving staff ability to meet the demands of the new mandate. The Commission also reevaluated the needs of the agency and created new roles to help ensure agency success. The Commission has focused on providing resources and support to advisory staff, the staff that act as legal and technical advisors to the Commission. In order to make informed, legally supportable decisions,

the Commission increased the number of technical advisors as well as filled long-vacant positions in the Office of General Counsel. It also prioritized providing reclassification to its Hearing Examiners, increasing the ability to hire for these traditionally hard-to-fill positions. Additionally, the Commission created a new strategic plan that focuses on increasing staff morale and support, improving and professionalizing agency operations and processes, being more present in the regulatory conversation in New Mexico, and increasing our transparency and accessibility for stakeholders and the public.

The Commission set an aggressive regulatory agenda in 2023. Through a series of expert-led stakeholder workshops, the Commission raised the bar for thoughtful, fact-based rulemaking. With the help of technical experts, including those from world-renowned scientific laboratories, the Commission is undertaking a wide range of investigations and workshops aimed at creating new administrative rules, including in the areas of utility reliability standards, distribution planning, greenhouse gas emissions, grid modernization, and cyber security. Additionally, the Commission is leading the conversations around New Mexico's utilities joining regional markets—seeking to take advantage of the state's geographic location between the Eastern grids and the West.

“a year
of
positive
change”

This year also saw the announcement of 200 megawatts of projects selected for New Mexico's first Community Solar Program. Designed to provide direct benefits of solar power to consumers who traditionally would not have access, the Community Solar Program received an immense amount of interest from solar developers. After receiving more than 400 project bids, the Commission's Independent Administrator selected 45 projects to be built in the three investor-owned utilities' service areas. While these projects consider the costs to connect to the grid, the Commission will be focusing on gathering stakeholder feedback to improve the process in future proceedings.

Adjudicatory cases didn't slow down this year either. This year the Commission saw more than 20% increase in new cases filed and has focused on increasing efficiencies to process these cases. Recognizing these efficiencies and the hard work of agency staff, the Commission has closed more than 300 cases this year. Among the many major issues the Commission dealt with this year was the approval of El Paso Electric's 130 MW Carne Solar and 65 MW Battery Storage Projects, contract amendments for the 120 MW Buena Vista Solar and 60 MW Battery Storage Projects. Additionally, the Commission issued an Order on Remand approving a settlement which reaffirmed PNM's ongoing authority to issue up to \$360.1 million in Energy Transition Act (ETA) Bonds for

costs associated with the abandonment of the San Juan Generating Station and required PNM to provide consumers with a total of \$115 million in rate credits over a twelve month period. In the coming months, the Commission will also be ruling on PNM's rate case and New Mexico Gas Company's application for a certificate of convenience and necessity for a liquified natural gas production and storage facility.

We are excited with the momentum we have built in 2023 and seek to carry that forward into the new year, where we anticipate many more exciting opportunities and achievements for the New Mexico Public Regulation Commission.



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PRC Strategic Plan

Mission

The Public Regulation Commission serves New Mexico by ensuring safe operations and reliable utility services at fair, just, and reasonable rates consistent with the State's legal, economic, environmental, and social policies.

Values and Principles

Public Service

- We serve the public interest by working to improve New Mexico.
- We are good stewards of the public resources and confidence entrusted to us.

Integrity and Impartiality

- We apply independent judgment, and we base each decision on its merits.
- We are fair, honest, and transparent, and we follow through on our commitments.

Openness and Inclusivity

- We respect and support each other, and value the contributions of each person.
- We listen to the point of view of all who engage with us.

Excellence

- We consistently put forth our personal and professional best.
- We constantly seek to improve our work.

PRC Strategic Plan

Vision

The Public Regulation Commission will be nationally recognized for its culture of excellence, innovation, and forward-looking policies that advance New Mexico's regulatory, energy and environmental goals.

Strategic Goals

1. Create a mission-driven agency with a culture of teamwork and excellence
2. Optimize Internal Operations, Processes and Time Management
3. Provide leadership in regulation through implementing legislation and state policies, working with the industry and public to be a resource for the State.
4. Demystify the regulatory processes, and roles and achievements of the PRC regarding utility services, telecommunications and pipeline safety.

Our Leadership



Commissioner Patrick O'Connell

Patrick O'Connell, PE, was appointed to a six-year term by Governor Michelle Lujan Grisham and is one of the three commissioners appointed to replace the five elected commissioners on January 1, 2023. He has worked as a consulting engineer, an employee of Sangre de Cristo Water, and the Public Service Company of New Mexico in both the gas (now New Mexico Gas Company) and electric utilities. After a career working in utilities and prior to joining the NMPRC, Commissioner O'Connell led the Clean Energy program at Western Resource Advocates. A native and current resident of Albuquerque, Commissioner O'Connell has lived most of his life in New Mexico. He graduated magna cum laude from the University of New Mexico in 1990 with a degree in Civil Engineering and is a registered professional engineer in the state of New Mexico. Commissioner O'Connell brings to the Commission experience developing and implementing strategies to maintain reliable and reasonably priced water, natural gas, and electricity to utility customers throughout New Mexico.

In addition to serving as the Chair of the Commission, Commissioner

O'Connell is the Secretary/Treasurer of the Western Conference of Public Service Commissioners, New Mexico's voting member of the Southwest Power Pool's Regional State Committee and sits on the Committee on Regional Electric Power Cooperation, the National Association of Regulatory Utility Commissioners Energy Resources and the Environment Committee. In July, Commissioner O'Connell along with commissioners from Arizona, California, Oregon and Washington, initiated the West-Wide Governance Pathways Initiative with the goal of creating an independently governed entity, that can deliver electric regional market services throughout the West, including California. Additionally in September, the Chair became a member of the Western Energy Coordinating Council's MAC Budget Subcommittee. Commissioner O'Connell has consistently demonstrated an unwavering commitment to his role, ensuring he is up to date with the latest industry trends and regulatory practices.

Commissioner O'Connell has been proactively taking part in various forums and committees allowing him to enhance the presence and the work of the Commission. He delivered the keynote address for New Mexico Society of Professional Engineers Engineer Week

MCLEE KEROLLE
TECHNICAL
ADVISOR



JENNIFER BACA
(NOT PICTURED)
EXECUTIVE
ASSISTANT



celebration in February and moderated a panel at NARUC in July to explore opportunities for water utilities and third-party organizations to working together to achieve social, economic and environmental goals. In August Commissioner O’Connell updated the New Mexico Legislature’s Science, Technology and Telecommunications Committee on the Commission’s grid modernization efforts. In October, the Commissioner presented at the Water and Natural Resources Committee (“WNRC”) in Las Cruces, updating the WNRC on the work of Commission, and innovations for future energy reliability. Commissioner O’Connell’s continuous efforts to represent the Commission in front of elected officials have not gone unnoticed. His dedication to public engagement and open communication serves as a testament to his commitment and underscores the importance of the Commission’s work in the region.”

In light of the increasing emphasis on sustainable energy practices, adherence to the Energy Transition Act’s (“ETA”) carbon intensity limits, and the timeline for its implementation; Commissioner O’Connell determined that it would be beneficial to engage in open dialogue with all stakeholders involved. To this end, the Commission held the initial workshop

for Docket No. 23-00294-UT on October 11, 2023 and received comments concerning the January 1, 2023, carbon intensity limits applicability as well as related compliance issues. The Commission also sought written responses from PNM ahead of this workshop to form the foundation for discussion, focusing on their proposed formula for carbon intensity calculation.

[Commissioner O’Connell’s] dedication to public engagement and open communication serves as a testament to his commitment and underscores the importance of the Commission’s work in the region.



Commissioner Gabriel Aguilera

Commissioner Gabriel Aguilera was appointed to the New Mexico Public Regulation Commission by Governor Michelle Lujan Grisham to a four-year term commencing on January 1, 2023. He grew up in Doña Ana County and graduated from New Mexico State University. He spent 15 years at the Federal Energy Regulatory Commission, where he held multiple positions, including economist, energy industry analyst, supervisory energy industry analyst, and senior policy advisor. Commissioner Aguilera is committed to utility regulation that offers transparency and certainty through sound decisions that serve the public interest and result in just and reasonable rates.

Commissioner Aguilera is proactively involved in the development of emerging regional energy markets in the West through his membership in the Body of State Regulators (BOSR) concerning the Western Energy Imbalance Market and Extended Day-Ahead Market, and the Markets+ States Committee concerning the Markets+ day-ahead market. Commissioner Aguilera was named Vice Chair of the BOSR in early October, and he seeks to ensure New Mexico has strong

representation throughout the West. Commissioner Aguilera recognizes that the Western U.S. will establish regional day-ahead electric markets, and he is committed to ensuring that those markets will benefit New Mexicans.

Commissioner Aguilera frequently speaks at community and professional forums in New Mexico and nationwide. In February, he discussed “How Public Regulators Can Promote Hispanic Equity in the Energy Transition” at the 2023 Energy Legislative Summit in Washington, D.C. During this panel, Commissioner Aguilera highlighted short and long-term benefits for New Mexicans as part of the transition to a low carbon grid, including the equity benefit that New Mexico’s Community Solar Program provides low-income consumers. In May, Commissioner Aguilera moderated a panel discussion addressing the issue of “Broadband Mapping and Filling the Gaps” at a Western NARUC conference in Napa, California. In April, he shared his path to becoming a Commissioner, along with regulatory opportunities he is excited about, on a panel in Santa Fe, New Mexico, relating to “Energy Regulatory Barriers” for the US Hispanic Chamber of Commerce. In August, Commissioner Aguilera participated in the California Independent System Operator Corporation’s Extended Day-Ahead Market Forum, shedding

CYNTHIA ENRIQUEZ
TECHNICAL
ADVISOR





light on “A Regulator’s Point of View.” In October, Commissioner Aguilera engaged in a panel discussion, “Assessing Benefits from Markets in the West,” for the Western Energy Interstate Board Committee on Regional Electric Power Cooperation, in Seattle, Washington. During this conversation, Commissioner Aguilera shared insight on the recent Docket that the NMPRC opened in August to establish guidelines and expectations for Public Service Company of New Mexico and El Paso Electric Company as the utilities begin to analyze whether or which day-ahead regional electric market to join. Commissioner Aguilera led the ongoing “Inquiry and Potential Rulemaking Pertaining to Investor-Owned Electric Utilities Regional Market Activity,” which solicited input from industry and stakeholders to discuss and develop guiding principles and expectations for electric utilities participating in a regional day-ahead market or a regional transmission organization. The Commission held the first of a series of workshops in mid-September, which highlighted the responses and comments that the stakeholders submitted thus far in Case No. 23-00268-UT. Regional electric markets can help meet the state’s emissions reduction targets and improve grid reliability at a reduced cost to ratepayers compared to transacting

through the bilateral energy market. The Commission is proactively evaluating emerging regional day-ahead markets to ensure that if and when Public Service Company of New Mexico and El Paso Electric Company participate, the benefits to consumers come to fruition.

Regional electric markets can help meet the state’s emissions reduction targets and improve grid reliability at a reduced cost to ratepayers compared to transacting through the bilateral energy market.



Commissioner James Ellison

James Ellison was appointed to the New Mexico Public Regulation Commission in January 2023 by Governor Michelle Lujan Grisham. He was confirmed for this position by the New Mexico Senate February 2023, and is serving a two-year term which concludes on December 31, 2024. Prior to joining the Commission, he worked at Sandia National Laboratories (“Sandia”) for over ten years, focusing on power systems analysis and planning, including energy storage and renewable energy integration. Prior to Sandia, he worked at the AES Corporation, where he managed a power plant and a distribution company.

Commissioner Ellison is a voting member of the Committee of State Representatives of the Western Interstate Energy Board (WIEB – COSR). This is a standing committee of the Western Resource Adequacy Program (WRAP), which is a new reliability sharing program in the West that is in the process of being established.

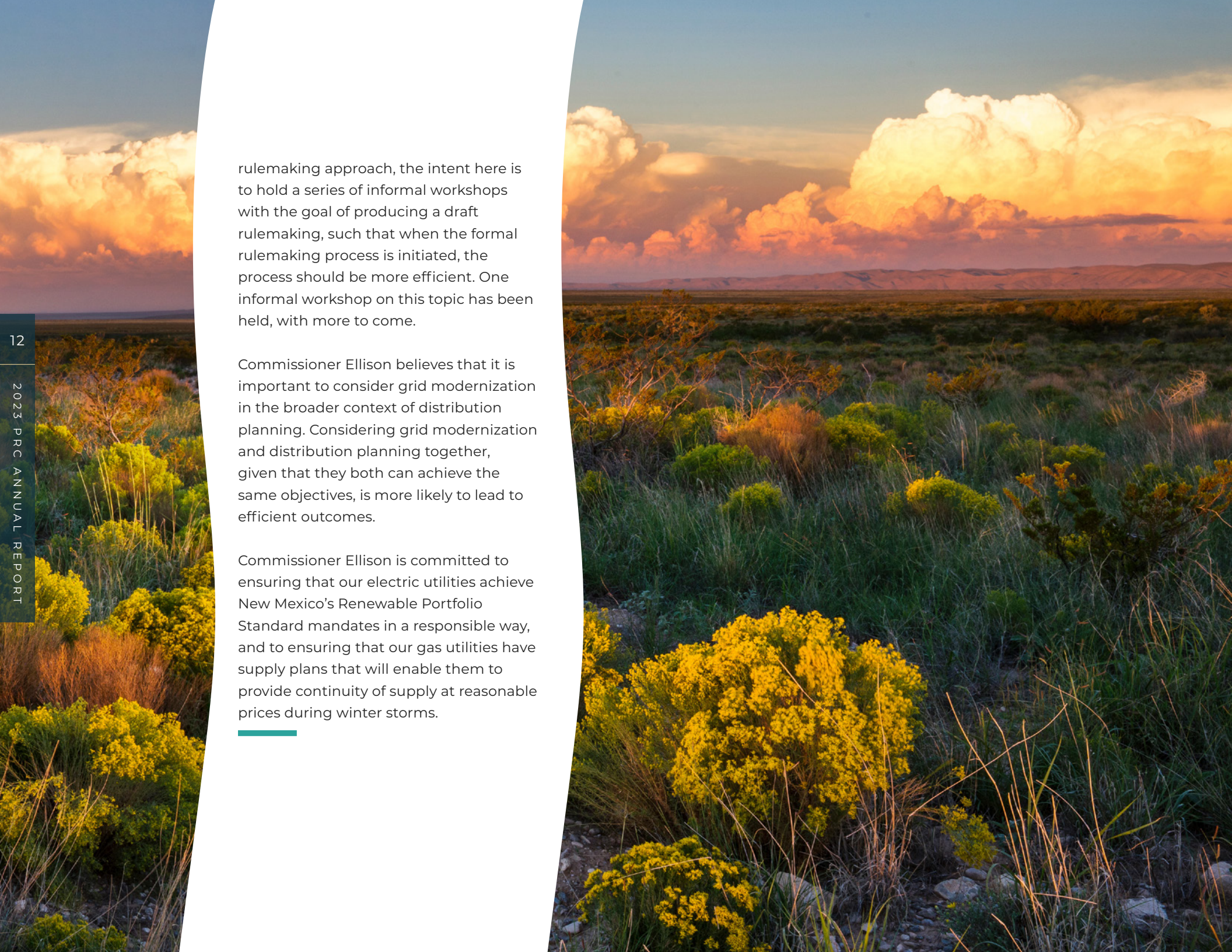
He is also a voting member of the NARUC Committee on Gas, and a member of the NARUC Task Force on Evolving Gas Infrastructure Planning.

He presented to the NARUC Committee on Gas, speaking on Natural Gas Storage in New Mexico, and presented to the San Juan Basin Energy Conference in Farmington on Natural Gas Distribution Supply Planning.

Commissioner Ellison has advocated for a reliability rulemaking, which would establish for the first time reliability reporting requirements by the electric Investor Owned Utilities (IOUs) to the PRC. He organized a series of informal workshops on the topic, with participation by the three IOUs and with assistance from Lawrence Berkeley National Labs (LBNL). The next step will be to issue a formal Notice of Proposed Rulemaking (NOPR). The formal rulemaking process should be less contentious and faster given that the informal workshop series was held.

He has also advocated for a Grid Modernization and Integrated Distribution Planning rulemaking. Given that IOUs have the right to file for grid modernization plans and request cost recovery through a rate rider, it is important to articulate what the applications should contain, and to establish the criteria by which the Commission will evaluate these applications. Similar to the reliability

JUDITH AMER
(NOT PICTURED)
TECHNICAL ADVISOR



rulemaking approach, the intent here is to hold a series of informal workshops with the goal of producing a draft rulemaking, such that when the formal rulemaking process is initiated, the process should be more efficient. One informal workshop on this topic has been held, with more to come.

Commissioner Ellison believes that it is important to consider grid modernization in the broader context of distribution planning. Considering grid modernization and distribution planning together, given that they both can achieve the same objectives, is more likely to lead to efficient outcomes.

Commissioner Ellison is committed to ensuring that our electric utilities achieve New Mexico's Renewable Portfolio Standard mandates in a responsible way, and to ensuring that our gas utilities have supply plans that will enable them to provide continuity of supply at reasonable prices during winter storms.

Office of the Chief of Staff

The Chief of Staff is responsible for all day-to-day operations of the agency and the Chief of Staff's Office works with divisions across the agency to implement and oversee agency priorities, take on special projects, and ensure the agency is accessible and responsive to the public and our many stakeholders.



CHOLLA KHOURY
CHIEF OF STAFF

In 2023, the PRC saw exciting developments and rapid change. With three new Commissioners and a new vision, we modernized the agency to reflect the priorities and goals of the Commission so that it can successfully meet its new constitutional mandate. A key part of this transformation has involved prioritizing staff training and creating a strategic plan, both integral to enhancing the agency's culture and efficiency. We've also focused on filling vacancies and increasing staff levels, aiming to make the PRC a place that people want to come to work and stay. Additionally, we've adapted to New Mexico's evolving needs by restructuring positions and creating new roles, aimed at strengthening our

engagement with stakeholders, the public, and other agencies.



COLLIN GILLESPIE
DIRECTOR OF
LEGISLATIVE AND
INTERGOVERNMENTAL
AFFAIRS

As the Agency is turning over a new leaf, legislative matters are no exception. The PRC works with other agencies, both state and federal, and the legislature as a matter of regular business. This year saw the creation of a position dedicated to interfacing with the legislature and our sister agencies. The position serves as the point of contact for legislative matters and for PRC relationships with other agencies.

Although the Legislative Session for 2024 is still upcoming, the Agency has

received favorable feedback in its efforts to be more accessible thus far. Whether draft bill language affects the Agency directly or indirectly, the Legislative Affairs Director at the PRC seeks to coordinate conversations with experts, ensure that policy and legislation is implementable and that any conflict with existing legislation is resolved. The PRC has been welcomed to the conversation and we look forward to working together in the upcoming and future session.



JORDAN GUTIERREZ
PROJECT MANAGER

The NMPRC prioritized efforts to optimize internal processes and enhance agency morale in 2023. The agency's multi-faceted initiatives have tackled issues in



communication, operational efficiency, and strategic planning.

Key Achievements:

1. **Agency-Wide and Targeted Staff Trainings:** Organized skill-building sessions for all PRC staff and for specific skill sets, elevating staff knowledge and capacity.
2. **Strategic Planning Sessions:** Organized and executed sessions for creating a new strategic plan, aligning the agency's actions with long-term objectives.
3. **Website and Logo Revamp:** Collaborated with contracted graphic designers and web developers, as well as the NMPRC's IT staff to launch a refreshed website and logo.
4. **Zoom & Tech Guides:** Provided user-friendly Zoom installation and usage guides, facilitating virtual communication.
5. **Branding Guides:** Developed PowerPoint templates and usage guidelines for the new agency logo, ensuring brand consistency.
6. **Social Media in the Workplace:** Standardized social media guidelines through an educational presentation for all staff, harmonizing our digital presence.
7. **Public Communications:** Worked with the agency's PIO to employ

social media to share news from the NMPRC, while also elevating agency transparency.

Main Goals:

Efficiency: Streamlined various internal operations for enhanced productivity.

Employee Morale: Focused on feedback and employee participation in decision-making processes.

Our commitment to employee engagement and efficient operations has set a strong foundation for ongoing and future improvements within the agency.



PATRICK RODRIGUEZ
PUBLIC INFORMATION OFFICER

The Public Information Officer (PIO) handles media requests, creates communications materials, and works with the Chief of Staff, Division Directors, Commissioners, and other staff to promote the work of the NMPRC. The PIO shares news about

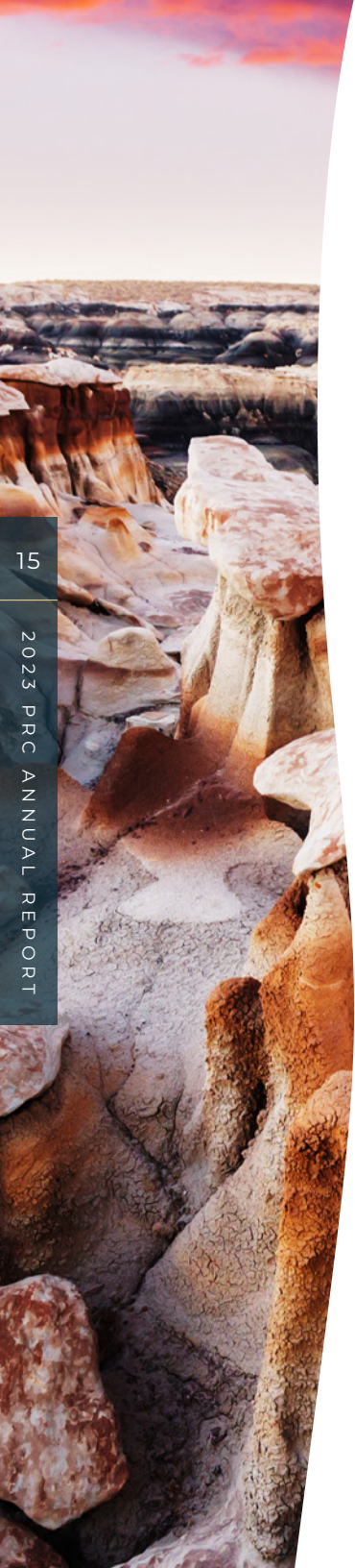
the NMPRC through social media posts, press release distribution to the media and stakeholders, and updates to the agency's website.

In 2023, the PIO developed multiple outreach campaigns to highlight the accomplishments of the NMPRC as well as policies and initiatives approved by the Commission, all of which impact the public interest. These outreach campaigns included updates to the New Mexico Community Solar Program, the Commission's open meetings policy, and a series of strategic planning sessions to establish long-term goals for the agency's mission, vision, and values.



ARTHUR O'DONNELL
DIRECTOR OF POLICY ADMINISTRATION

A 2020 amendment to the New Mexico Constitution provides that the Public Regulation Commission "shall have responsibility for regulating public utilities...and other public service companies in such manner as the legislature shall provide." In practical terms, this means that the Commission



looks to the Legislature to establish broad policy directions, while exercising its statutory authority to develop and enact rules to implement those policies. The Director of Policy Administration helps bridge the adjudicatory and rulemaking work of the Commissioners to the statutory mandates and the programs, projects and priorities of the agency.

In the past two years, the Commission has instituted or substantially modernized its rules governing the interconnection of distributed energy resources (including solar photovoltaic units and battery storage devices), utility integrated resource planning (IRP), and implementing the 200 MW Community Solar program. Our 2023-24 workplan also foresees rulemakings covering electric utility reliability reporting, grid modernization/distribution planning, and ensuring utility compliance with the Energy Transition Act.

These will create the platform for new energy markets and the ongoing regulation of utilities and other energy service providers in a way that preserves the safety, reliability and affordability of those services. Equally important is the process the Commission employs, with a strong emphasis on using stakeholder

engagement, technical working groups, facilitated workshops and community forums to both explain issues and solicit public and expert opinion on how to refine these policies.

Program Achievements

Community Solar

New Mexico's Community Solar Program took a huge leap toward implementation in 2023. Working with third-party program administrator InClima Inc., this year saw the selection of 45 projects to build and operate community solar facilities in support of the development of the program, with a total statewide power generation of about 200 megawatts. These projects will be developed within the service areas of the state's three investor-owned electric utility companies.

Created by the Community Solar Act of 2021, the Community Solar Program will allow qualifying utility customers to participate in the generation and consumption of solar energy without having to purchase and install solar panels. The program will also create a marketplace for community solar

...this year saw the selection of 45 projects to build and operate community solar facilities in support of the development of the program, with a total statewide power generation of about 200 megawatts.

subscription agreements, which generally offer discounted rates on electricity. In accordance with the rules of the program, which were issued by the NMPRC in 2022, at least 30 percent of power produced by each community solar facility will be reserved for qualified low-income customers.

Fellowship Program

Successfully Securing Expert Resources

New Mexico is increasingly being perceived as a national role model for its energy transition policies, and for pursuing all available federal opportunities to obtain expert assistance and resources to support and expand its capabilities.

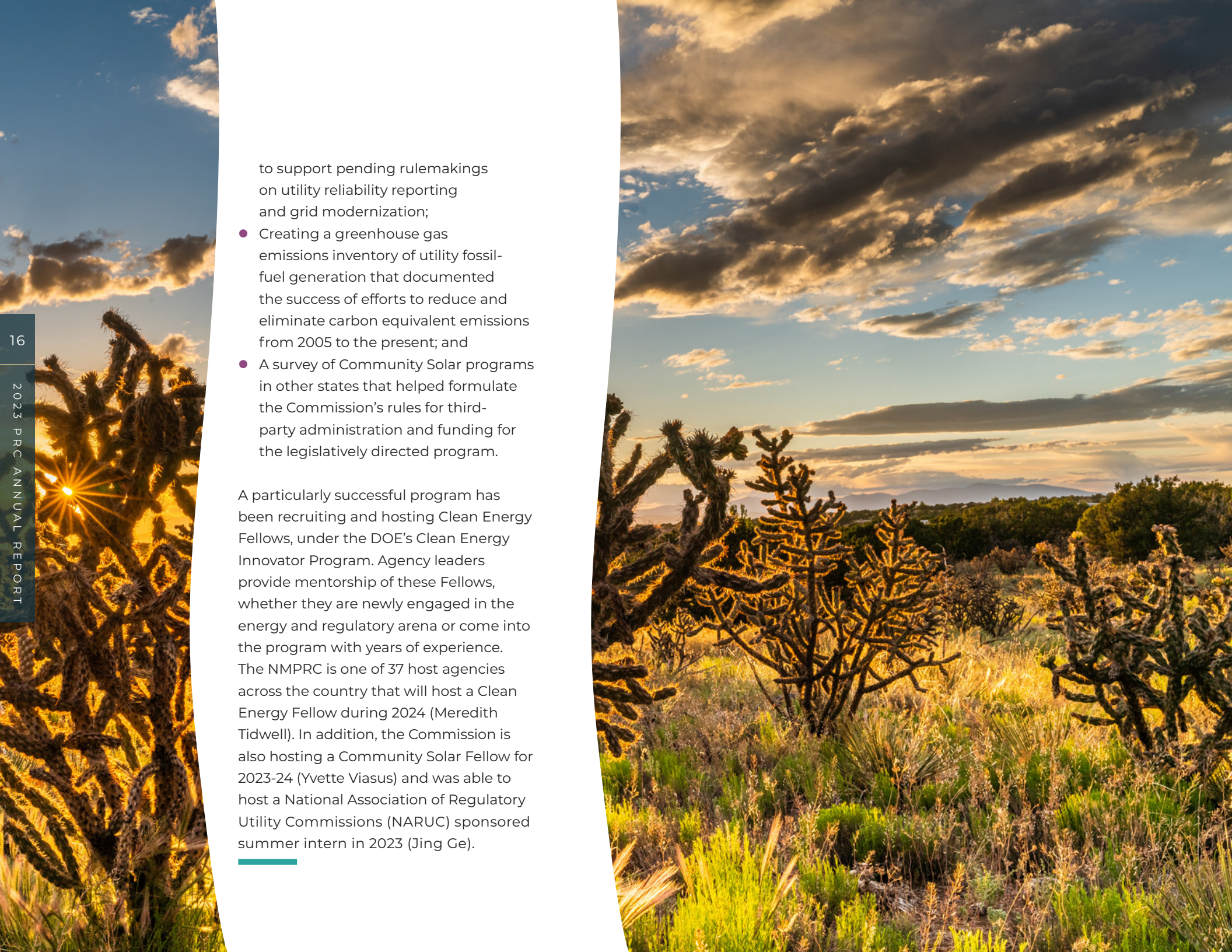
Through various programs offered by the U.S. Department of Energy, the New Mexico Public Regulation Commission has successfully engaged technical assistances for many projects, including:

- Analysis of the "hosting capacity" of utility distribution circuits to allow for deeper penetration of renewable energy and battery storage systems;
- Enlisting support from National Energy Laboratory staff experts

to support pending rulemakings on utility reliability reporting and grid modernization;

- Creating a greenhouse gas emissions inventory of utility fossil-fuel generation that documented the success of efforts to reduce and eliminate carbon equivalent emissions from 2005 to the present; and
- A survey of Community Solar programs in other states that helped formulate the Commission's rules for third-party administration and funding for the legislatively directed program.

A particularly successful program has been recruiting and hosting Clean Energy Fellows, under the DOE's Clean Energy Innovator Program. Agency leaders provide mentorship of these Fellows, whether they are newly engaged in the energy and regulatory arena or come into the program with years of experience. The NMPRC is one of 37 host agencies across the country that will host a Clean Energy Fellow during 2024 (Meredith Tidwell). In addition, the Commission is also hosting a Community Solar Fellow for 2023-24 (Yvette Viasus) and was able to host a National Association of Regulatory Utility Commissions (NARUC) sponsored summer intern in 2023 (Jing Ge).





DIVISION REPORTS

Hearing Examiners Division

ANTHONY MEDEIROS, DIVISION DIRECTOR

The Public Regulation Act provides that the Commission may delegate authority to the Commission’s hearing examiners to preside over any matter before the Commission.

The Hearing Examiners Division houses the Commission’s six Hearing Examiners or administrative law judges (ALJs) and one legal assistant. The Commission’s ALJs are known as “hearing examiners” principally because the Commission’s enabling act, the Public Regulation Act, specifies that appellation. The Public Regulation Act provides that the Commission may delegate authority to the Commission’s hearing examiners to preside over any matter before the Commission, including rulemakings, adjudicatory proceedings, and administrative matters. The hearing examiners’ primary duties include managing adjudicatory proceedings, conducting trial-type hearings, and developing comprehensive evidentiary records upon which they issue recommended decisions that include findings of fact and conclusions of law. Commissioners use recommended decisions as the basis for their actions in adjudicatory proceedings. Hearing examiners preside over diverse and complex types of cases, some of which include rate-setting; certificates to build and acquire generating resources; mergers; sales and acquisitions;

declaratory orders; territorial disputes; quality of service; purchased power and gas cost recovery; interconnections; arbitrations; mediations; abandonments of utility plant or service; complaints; permits; financings; and enforcement actions across the major industries regulated by the Commission.

Hearing Examiners conduct procedural conferences, hearings, and oral arguments; issue bench requests to elicit relevant facts; ensure that a full evidentiary record is established; make rulings on procedural and evidentiary issues; admit evidence into the record; analyze evidence, briefs, applicable laws, rules, and orders; and issue recommended decisions, including findings of fact and conclusions of law. Their recommended decisions are then presented to the Commission for consideration and issuance of a final order, enabling the Commission to meet statutory deadlines 100 percent of the time.

The past year was an incredibly bustling one for the Hearing Examiners Division as it heard cases including, among numerous others, major rate cases for Public

Service Company of New Mexico (PNM), Southwestern Public Service Company (SPS), and New Mexico Gas Company (“Gas Co.” or NMGC); applications for authority to implement grid modernization plans by PNM and SPS; SPS’s application for a standby tariff rate for large customers with generation facilities that serve some or all their own load; triennial energy efficiency plan proceedings for El Paso Electric Company (EPE), PNM, SPS (collectively the investor-owned electric utilities or IOUs), and Raton Natural Gas Company; the investor-owned utilities’ annual Renewable Energy Act plan cases; several utility applications for approval of renewable energy generation and battery storage projects; SPS’s request for approval of a new renewable energy purchase program for large customers; and NMGC’s application for a certificate of public convenience and necessity (CCN) to construct and operate a liquefied natural gas storage facility within the city limits of Rio Rancho in west side of Bernalillo County. In addition, the Hearing Examiners Division presided over the Community Solar Program Phase 1 evidentiary proceedings regarding the qualifying utilities’ (EPE, PNM, and SPS) subscriber organization agreements and customer data forms. The division’s leadership team also took the lead in the Commission’s transition planning group that was



instrumental in developing the new Commission's reformed open meetings policy and other important operational refinements.

Key Cases Supporting Transition to Zero Carbon Resources

In Case No. 22-00155-UT, SPS filed an advice notice and tariff to provide a standby rate. Customers pay standby charges so that in the event of an outage of the customer's on-site generator, either planned or unplanned, the customer has the guaranteed ability and the right to purchase power to replace what would normally be self-generated. The federal Public Utility Regulatory Policy Act (PURPA, 18 CFR § 292.305) requires utilities to provide certain services, including standby service, to customers with Qualifying Facilities. The rates, terms, and conditions of such service are generally set by state public utility regulatory commissions. Commission Rule 17.9.570 NMAC, Governing Cogeneration and Small Power Production, provides guidelines regulating the purchase of power from and sale of power to qualifying facilities. After a hearing and recommended decision in the litigated case, the parties entered into a Stipulation regarding agreed upon terms for a standby tariff and rates. In June 2023, the Commission

approved the Hearing Examiner's Certification of Stipulation of Rate 85 Standby Rate Rider, "Standby Service for Customers with Generation Facilities – Large General Service – Transmission" ("Standby Tariff"). As negotiated by the Signatories, the Standby Tariff is applicable to customers who operate customer generation facilities that serve all or a portion of their load. The Standby Tariff is designed to be appropriate for large customers' investment in behind-the-meter (BTM) generation, including renewable solar generation to serve their loads.

In February 2023, a Hearing Examiner completed hearings regarding EPE's Application for approval of the company's 2022 Renewable Energy Act plan proceeding in Case No. 22-00093-UT. EPE's 2022 plan requested among other things approval of the Carne solar and storage project in Luna County. The Carne project is comprised of a 130 MW solar and 65 MW battery energy storage system (BESS) project with a May 1, 2025 expected delivery date. EPE argued that the procurement is necessary to enable it to meet the forty percent Renewable Portfolio Standard that will be in place in 2025. The hearing examiner determined that EPE proactively took steps to procure the resources

The federal Public Utility Regulatory Policy Act requires utilities to provide certain services, including standby service, to customers with Qualifying Facilities.

through an all-source request for proposals and recommended that the procurements be approved in April 2023. The Commission approved the Carne solar/battery storage project in May 2023.

In March 2023, a hearing examiner presided over EPE's consolidated applications in Case Nos. 19-00099-UT and 19-00348-UT wherein EPE requested approval of amendments to previously approved renewable resource procurements made through purchased power agreements (PPAs). As revised, the procurements include two solar facilities (120 MW total) and a 50 MW battery storage facility in Otero County (Buena Vista 1 and 2) and two solar facilities (150 MW total) in Doña County (Hecate 1 and 2). The Commission approved the amended Buena Vista and Hecate PPAs in May 2023.

Key Cases on Transportation Electrification

The Public Utility Act requires New Mexico public utilities to expand transportation electrification under NMSA 1978, Section 62-8-12 (2019). Two investor-owned electric utilities, PNM and EPE, submitted transportation electrification

plans (TEPs) in 2023 as required the Commission's TEP rule, 17.9.574 NMAC ("Rule 574"). Rule 574 prescribes that every three years starting June 1, 2023, PNM must file its TEP application. EPE is required to follow suit starting July 1, 2023. SPS is required to file its first triennial TEP application by April 1, 2024.

PNM filed its 2024 to 2026 transportation electrification plan in June 2023. The plan proposes expenditures of approximately \$37 million over two years. A hearing examiner is assigned. A procedural schedule was issued. A public hearing on PNM's application will occur in December 2023.

El Paso Electric also filed its 2024 to 2026 transportation electrification plan in June of 2023. The plan proposes expenditures of approximately \$14 million over two years. A hearing examiner is assigned. A procedural schedule was issued. A public hearing on EPE's application will also occur in December 2023.

Community Solar Program

On August 30, 2023, a hearing examiner presided over Phase I hearing in the Community Solar Program proceeding in Case No. 23-00071-UT. The hearing involved the uncontested Phase I stipulation entered into by the "qualifying

utilities" (EPE, PNM, SPS) and the City of Las Cruces, the Coalition for Community Solar Access, the Renewable Energy Industries Association, and the Commission's Utility Division Staff on August 10, 2023. In the stipulation, the signatories agreed to the qualifying utilities' proposed forms of uniform community solar subscriber organization agreements and a form of Community Solar subscriber consent form. The Commission approved the Phase I stipulation on September 21, 2023. Phase II of the Community Solar Program proceeding will address issues involving the qualifying utilities' proposed tariffs (rates, agreements, and forms), including the Community Solar bill credit. The Phase II hearings are currently scheduled for January 17-19, 2024.

Rate Cases

On October 19, 2023 the Commission adopted the Certification of Stipulation prepared by the Hearing Examiner in Southwestern Public Service Company's (SPS's) application for a rate increase in Case No. 22-00286-UT. SPS, an Xcel Energy Inc. subsidiary, provides electric service in eastern and southeastern New Mexico. The company filed for a base rate increase

In December 2022, PNM filed its first rate case in six years... to authorize a \$791 million revenue requirement and a revenue deficiency of \$63.8 million under present rates.

of \$77,636,954 revenue increase for its New Mexico retail jurisdiction. Drivers for the deficiency and revenue-increase request include SPS's jurisdictional allocation changes, sales and load growth, capital investment, and changes in SPS's depreciation expenses. A contested Stipulation was filed that includes an agreement for a \$33 revenue million increase. The Stipulation results in a New Mexico retail average price across all customer classes of 8.07 cents per kWh. The national average price is 12.94 cents per kWh and the New Mexico average is 9.19 cents per kWh. The stipulated increase amounts to a 4.32% total bill increase when fuel, Energy Efficiency, and RPS revenues are considered. The Stipulation also included agreements to amend its retirement and abandonment of its Tolk Generating Plant from 2032 to 2028, and to retire and abandon Plant X Unit 1, Plant X Unit 2, and Cunningham Unit 1 Generating Stations in 2023.

In December 2022, PNM filed its first rate case in six years. In its application for revision of rates, PNM asked the Commission to authorize a \$791 million revenue requirement and a revenue



deficiency of \$63.8 million under present rates. PNM asked for an increase in residential rates that would require average-use residential ratepayers to pay an additional roughly nine dollars annually. The application was supported by testimony from more than twenty PNM witnesses who filed well over 1,000 pages of testimony. Other open dockets involving PNM revenue matters were consolidated with the rate case so that all of PNM's operating costs and revenue recoupment mechanisms could be evaluated in one case. The consolidated cases include whether PNM's fuel and purchase power cost adjustment clause should be amended to reflect the utility's reliance on purchased power agreements to procure renewable capacity; what remedy should flow from PNM's previously determined imprudence at Palo Verde Nuclear Generating Station; and, whether PNM's investments in the Four Corners Power Plant were imprudent and, if so, what consequence should flow from that. Two hearing examiners were assigned to the rate case which New Mexico newspapers described as a "monster." Many parties intervened and offered expert testimony on a wide range of subjects bearing on PNM's rates. The Hearing Examiners resolved many prehearing motions including motions by intervenors asking the Commission to

dismiss the rate-revision application, motions by the utility to preclude the Commission from addressing certain substantive matters in the course of the rate case and varying evidentiary issues. A public hearing occurred between September 5 and 22, 2023. Twelve volumes of transcripts were produced, and many exhibits submitted into the evidentiary record. The Hearing Examiners will issue a recommended decision and the Commission will consider the case prior to January 4, 2024.

Key Case in Water Matters

In May 2023, a Hearing Examiner conducted hearings for the Commission's expedited consideration of Timberon Water and Sanitation District's (TWSD's) request for interim rate relief in order improve and to continue to function as a utility. In granting the requested relief in Case No. 23-00049-UT, the Commission found substantial evidence that the interim relief was justified to address the immediate, daily structural water system problems presented. TWSD's system is actively experiencing tremendous water losses with a current water loss rate of approximately 70-84%, and the system

In May 2023, a Hearing Examiner conducted hearings for the Commission's expedited consideration of Timberon Water and Sanitation District's (TWSD's) request for interim rate relief in order improve and to continue to function as a utility.

shows "signs of accelerated failure. The Commission found that since granting interim rate relief might only assist TWSD on a day-to-day basis in fixing current and upcoming leaks in the system, it was appropriate for the Commission to impose conditions upon the approval of interim rate relief, so that TWSD would be able to file permanent rates to address both day-to-day operations and develop a long-term plan for fixing the deficiencies in the water system.



DIVISION REPORTS

Office of General Counsel (OGC)

SCOTT CAMERON, DIVISION DIRECTOR

The Office of General Counsel (OGC) serves as legal counsel to the Commission.

In the role as General Counsel, OGC attorneys advise the Commissioners concerning the substantive and procedural legal issues in dozens of pending adjudicative and rulemaking matters, as well as in formal consumer complaints. The OGC attorneys also humbly represent the Commission in case-related litigation before the state and federal courts and in all appeals before the New Mexico Supreme Court.

This past year, OGC saw three of its attorneys transfer to other divisions at the NMPRC, two moving to the hearing examiners division and one transferring to become a Commissioner advisor. In their places, OGC promoted two of its attorneys and hired three outstanding new general attorneys and an Appellate Specialist to bring the team total to seven attorneys, plus an amazing law clerk and new Chief General Counsel. OGC is appreciative of the work of the existing and departing attorneys and staff, and looks forward to working closely with the Commissioners and Hearing Examiners division to expand upon the success that the NMPRC has had in protecting consumers, the environment, and the State.

Legal Division

BRADFORD BORMAN, DIVISION DIRECTOR

The Legal Division is statutorily mandated to advocate for the public interest on behalf of the Utility Division in litigated matters before the Commission.

In addition to its public interest advocacy work, the Legal Division also provides legal counsel to all bureaus within the Utility Division, to the Transportation Division, and to the Commission (except in contested proceedings before the Commission).

In order to represent the public interest, Legal Division attorneys work with the staff of the Utility and Transportation divisions to assist in the development of Staff's cases. Legal Division attorneys also review and implement legislation, rules and regulations, regulatory opinions of sister state and federal agencies, and judicial opinions, both state and federal. They also draft and file extensive legal documents, including routine motions and other pleadings, discovery in complex litigation, legal briefs that advocate the positions and recommendations of NMPRC utility experts, and rules implementing legislative and Commission policies. During litigated proceedings Legal Division attorneys cross-examine expert witnesses of regulated entities or interveners, including consumer

or environmental advocacy groups, and occasionally must participate in oral argument. Among other matters, this past year Legal Division attorneys have continued to litigate the Grid Modernization Plans of the state's investor-owned utilities (IOUs), along with annual renewable portfolio plans submitted by all three IOUs, rate cases involving Public Service Company of New Mexico (PNM) and New Mexico Gas Company (NMGC), transportation electrification plans for PNM and El Paso Electric Company, and a certificate application for a liquefied gas storage facility for NMGC. Staff attorneys have also negotiated a settlement of the Southwestern Public Service rate case. Legal Division counsel have also continued to participate in a multitude of rulemaking proceedings, including an update to the Commission's Rules of Procedure, a new rule expanding the Renewable Energy Act to rural electric cooperatives, and revisions to the ambulance EMT requirements. In addition, Legal Division attorneys have worked with the New Mexico Department of Transportation to assist

in the transfer of the Transportation Division to NMDOT.

The Legal Division currently consists of eight attorneys and two support staff members who must meet superior standards of practice and professionalism, and possess a working familiarity with accounting, economics, regulatory finance, and engineering.



DIVISION REPORTS

Utility Division

ED RILKOFF, DIVISION DIRECTOR

The Utility Division consists of four Bureaus which support the Commission: Telecommunications, Engineering, Accounting and Economics.

The Bureaus support the Commission in the regulation of retail service by investor-owned and cooperative entities of electricity, natural gas, telecommunications, and water and wastewater systems. The division provides this support by independently advocating for the public interest by balancing the financial interests of regulated entities while ensuring consumers are provided safe and reliable service at reasonable prices. The division makes presentations in the form of sworn testimony and exhibits in support of fair, just, and reasonable rates for utility and telecommunications services. In 2023, the Utility Division was able to fill 12 positions, with only one opening left out of 26.

The Division’s core mission is to provide engineering, economic, and accounting expertise in ratemaking proceedings for telecommunications carriers and public utilities. The Utility Division works with staff of the Legal Division as a party in all utility related proceedings before the Commission. The Utility Division was particularly busy with rate cases in 2023, including those filed by SPS, PNM,

EPE (on remand from the NM Supreme Court), and NMGC.

In addition to rate cases, which are extended labor-intensive undertakings, other cases include integrated resource planning, renewable energy procurement plans, energy efficiency program plans, resource abandonment and acquisition, resource location control and right-of-way, mergers and acquisitions, debt financing, and fuel and purchased power cost recovery. The Division is also active in a number of existing and new rulemaking cases.

The Energy Transition Act (ETA) of 2019 created a shift from fossil fuel generation to renewable and energy storage projects. The Commission and its Utility Division staff continue to oversee and build upon this transition. This includes integrated resource planning, interconnection of distributed generation, community solar, grid modernization and advanced metering, transportation electrification, reliability, and regional transmission options. The rulemakings are in various stages of approval and implementation.

The utility division provides testimony to the Commission on these proceedings as well as the subsequent administration and oversight of any associated programs.

Telecommunications Bureau



**MICHAEL
RIPPERGER**
TELECOMMUNICATIONS
BUREAU CHIEF

The Telecommunications Bureau is engaged in a number of roles related to ongoing regulation of intrastate telecommunications services, in addition to providing input and stewardship to oversight of state and federal broadband programs and efforts to promote advanced telecommunications services throughout New Mexico. This includes the ongoing migration from traditional public switched telephone service regulation to oversight of programs aimed at the distribution of broadband service in rural areas of the state. Continued traditional regulation includes registration and ongoing compliance for intrastate long distance service providers (IXCs), Incumbent Local Exchange Carriers (ILECs), and Competitive Local Exchange Carriers (CLECs), and Inmate Operator Service Providers, including tariff and



interconnection agreement filing reviews, rulemakings and adjudicated proceedings, customer and carrier complaints, legislative review, and numbering resource oversight. The Bureau is currently comprised of a bureau chief, telecom engineer, two economists, and a compliance officer.

As regulation has pivoted away from traditional telephone networks, the creation of the State Rural Universal Service Fund (“SRUSF”) in 2018 and responsibility of the state regulatory commissions for Eligible Telecommunications Carrier (“ETC”) designation and oversight for federal and state universal service funding has increased the review and oversight responsibilities of the Telecom Bureau for these programs. The SRUSF is a \$30 million per year program that provides up to \$17 million in support for rural carriers to expand and sustain broadband-centric networks and provides up to \$12 million per year through the SRUSF Broadband Program for new broadband projects in rural primarily unserved areas of the state. In addition, it also provides supplemental low-income support for voice services. In 2022 with Staff assistance and review, the Commission approved SRUSF Broadband Program Funding for 28 projects in the amount of \$11.9 million in unserved and underserved areas of New Mexico.

Telecommunications Bureau staff also provides oversight of 35 ETCs regulated by the Commission, including recertification to the FCC annually of their requirement to use the receipt of millions of dollars in federal and state funding for universal service as required by state and federal statutes and rules. Recently, staff were appointed as members of the North American Numbering Council to participate in the ongoing process of developing national numbering policy.

Telecommunications Bureau staff anticipates the usual ongoing regulatory activities for intrastate telecommunications services will continue, to include several adjudicatory proceedings, a SRUSF rulemaking, ETC designation cases, and SRUSF oversight and annual SRUSF program disbursements and ETC certifications.

Engineering Bureau

The Engineering Bureau performs analyses and provides expert testimony on issues related to electric, natural gas, water and wastewater utilities. In support of such, the Engineering Bureau evaluates plant design, specifications, capacity, reliability, depreciation

In 2022 with Staff assistance and review, the Commission approved SRUSF Broadband Program Funding for 28 projects in the amount of \$11.9 million in unserved and underserved areas of New Mexico.

rates, resource planning, expenses, abandonment of assets, and requests for certificates of public convenience and necessity. The Engineering Bureau evaluates compliance and performance, adequacy and reliability of services and helps to determine that these are done at fair, just and reasonable rates.

In the past year, the Engineering Bureau has participated in SPS and PNM rate cases; SPS, PNM and EPE grid modernization rate cases; location control and right-of-way width cases for wind and solar farms; a LNG storage facility; and a certificate of convenience and necessity case for a major solar installation. Engineering Bureau staff has also participated in rulemakings, utility Integrated Resource Planning meetings, report generation, and a tour of the Atrisco Solar Facility construction site.

In the upcoming year, the Engineering Bureau expects to participate in rate cases, certificate of convenience and necessity cases, Integrated Resource Planning cases, rulemakings, report creation, and other cases that may be filed with the Commission.

Economics Bureau



**ELISHA
LEYBA-TERCERO**
ECONOMICS BUREAU
CHIEF

The Economics Bureau provides expert review, analysis and recommendations regarding electric, natural gas, water and wastewater utility matters under the direction of Commission precedent, Commission rules, and local, state, and federal law. This is accomplished primarily through the presentation under oath of written and oral testimony as evidence in public hearings before the Commission.

The Economics Bureau provides such recommendations regarding various utility matters, including but not limited to the following: utility applications for revision of rates, Renewable Energy Act plans, energy efficiency program plans, utility financing applications, transportation electrification program plans, grid modernization, community solar, resource acquisitions, sale and abandonment proceedings, and various other matters as necessary.

The Economics Bureau works in collaboration with other Utility Division bureaus on many of these utility matters.

However, the Economics Bureau serves as the division's sole resource specifically addressing annual Renewable Energy

Act plans, energy efficiency program plans, and utility financing applications. In 2023, the Economics Bureau alone provided testimony in four utility financing cases, three Renewable Energy Act plans, and two energy efficiency cases.

Another significant role of Economics Bureau is to provide review, analysis and recommendations regarding the allocation of a regulated utility's revenue requirement across rate classes, the design of rate structures by customer class, and a utility's cost of capital and capital structure in utility rate cases. In 2023, the Economics Bureau participated in collaboration with other Utility Division bureaus in four rate cases. Specifically, the Economics Bureau provided written and/or oral expert witness testimony on the complex and controversial issues of allocation, rate design, cost of capital and capital structure in an investor-owned gas utility rate case (New Mexico Gas Company, Inc.)* and two investor-owned electric utility

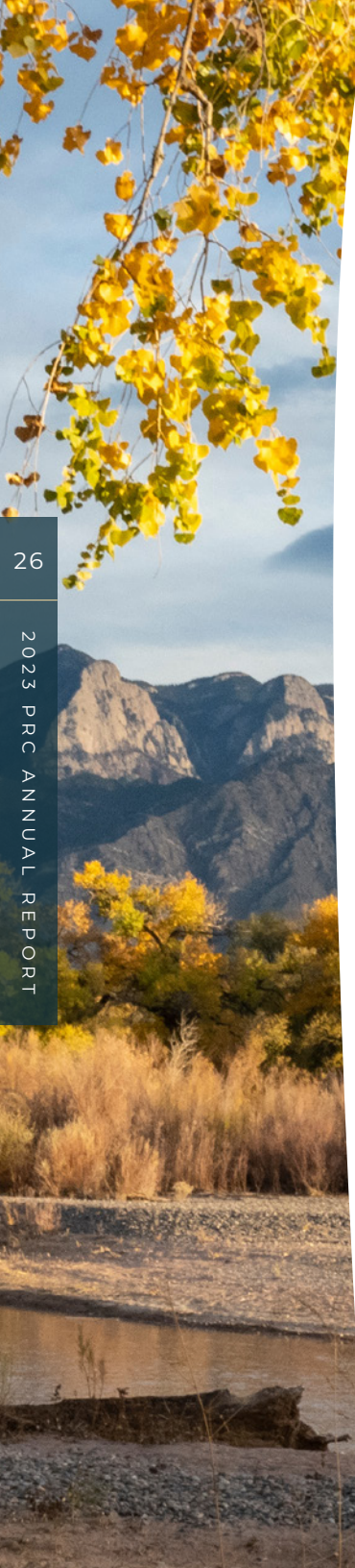
*Written and oral testimony was provided in this case prior to FY23; however, a final order was not issued until November 30, 2022, within FY23.

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rate cases (Southwestern Public Service Company and Public Service Company of New Mexico), and allocation and rate design in one rural electric cooperative rate case (Jemez Mountains Electric Cooperative, Inc.).

In total, the Economics Bureau provided expert review, analysis, and recommendations through the filing of testimony (in some instances multiple testimonies to include direct, rebuttal and/or testimony in support of stipulation) in 20 utility cases in 2023. In addition to providing expert witness testimony, the Economics Bureau also participated in rulemaking proceedings, including the amendments to NMPRC Rule 17.9.572 NMAC Renewable Energy for Electric Utilities, providing initial comments, response comments and reply comments in that rulemaking proceeding.

2023 was an extremely busy year for the Economics Bureau, which only recently became fully staffed in March, with a total of seven economists under its



current structure. While the majority of Economics Bureau staff are new, the bureau's workload could not have been accomplished without contributions from everyone on staff. The Economics Bureau continues to focus on growth and development of its staff. For example, all newly hired staff have attended New Mexico State University's Center for Public Utilities course, "The Basics" Practical Regulatory Training for the Electric Industry. This is critical as the bureau gears up for another busy year with two new rate cases, a gas utility rate case and a water utility rate case, along with various other matters.

Accounting Bureau



**GABRIELLA
DASHENO**
ACCOUNTING
BUREAU CHIEF

The primary role of Accounting Bureau is to provide analysis and recommendations for all NMPRC regulated utilities regarding the impact of the utility operations on its financial statements, including assets, liabilities, income statements, income taxes, operation and maintenance expenses, and regulatory assets, in accordance with applicable

statutes, rules, and laws. The Accounting Bureau also reviews detailed electronic modeling of utility cost of service in support of revenue requirements established in rate cases. This entails the validation of multi-million-dollar revenue requirement increases and the resulting impact on utility customer rates. This review is supported by expert analysis and supporting testimony. The bureau may also perform audit reviews of the books and records of jurisdictional utility companies. Finally, the bureau examines utility statutory and rule compliance of utility recovery of the incurred cost of purchased fuel, gas, or energy, review of Transportation Electrification Plans, Grid Modernization filings, and rulemakings. Bureau highlights include review of all Cooperative rate increases, rate cases for SPS, PNM, NMGC and JMEC. The team also participated in the TEP NOPR, Compliance NOPR and reviewed five FPPCAC applications. The team participates in IRP workshops. The bureau assisted the Transportation Division in rate case review.

In addition, the Accounting Bureau continues to develop its expertise in regulation related to legislative mandates, technological advancements,

and renewable energy by attending accounting related trainings and NARUC Accounting and Finance subcommittee conferences. The Bureau is expanding its knowledge on the Build Back Better Act relating to ITC's and PTC's.

It is estimated that the Bureau will participate in three rate cases in the upcoming year, review several FPPCAC applications, three TEP cases, potential grid modernization cases, cooperative rate increases and continued participation in rulemakings such as the CO2 emissions NOPR.

The primary role of Accounting Bureau is to provide analysis and recommendations for all NMPRC regulated utilities...



Transportation Division

JESSE C. MONTOYA, DIVISION DIRECTOR

The Transportation Division consists of four bureaus: Pipeline Safety, Railroad, Applications, and Investigation/Compliance. Together they administer policy which fosters the development and maintenance of safe and secure motor carrier, pipeline, and railroad systems.

Compliance/Investigations



FIDEL ARCHULETA
BUREAU CHIEF,
COMPLIANCE
INVESTIGATIONS

	Inspections	Investigations
Towing Services	20	40
General Commodities	30	8
Illegal Transport Carrier	N/A	3
Network Passenger	1	0
TOTALS	50	54

Ambulance and Railroad Bureau

KACY DUNN
(NOT PICTURED)

BUREAU CHIEF, AMBULANCE AND RAILROAD BUREAU

Ambulance Program

The Ambulance & Railroad Bureau processes all ambulance related applications, compliance documentation and provides expert testimony in docketed cases. The Bureau conducts safety inspections and investigations in the analysis of safe, reasonably continuous and adequate service. The Bureau also ensures compliance of the Ambulance Standards Act, the Motor Carrier Act, and Motor Carrier Rules by the 88 certificated ambulance service carriers operating throughout New Mexico.

In FY23 the Bureau administered:

- 32 Reissuance of Certificate applications
- 6 Temporary authority applications
- 3 Lease of authority applications
- 2 Ambulance tariff change applications

- 1 Application for reinstatement of authority
- 1 Variance Request
- 1 Voluntary suspension request
- 5 Complaints
- 2 Investigations
- 104 Inspections

Railroad Program

Since 1970, the federal government has preempted state railroad safety regulation. However, the Federal Railroad Administration (FRA) offers states the opportunity through Partnership Program to participate in federal investigative and enforcement activities. In New Mexico, the NMPRC is responsible for participating in FRA inspections of railway systems to ensure they are in compliance with all applicable safety regulations and investigating incidents, collisions, and derailments.

In FY23 the Bureau handled:

- 134 Railroad Inspections
- 3 Civilian Complaints
- 3 Violations

- 2 Non-Accidental Release Investigations (NAR)
- 3 Hazmat Incident Investigations (HMII)

The Bureau is tasked with investigating serious railroad accidents and determining the operational condition of affected equipment, examining carrier records to determine that all reportable personal injuries and accidents have been properly reported, investigating complaints from railroad employees or the general public regarding unsafe practices involving train operations and determining if Federal regulations have been violated.

In addition to Ambulance and Railroad matters, the Bureau's staff also assists the Transportation Division division director with tariff changes submitted by tariffed motor carriers under the Motor Carrier Act. In FY23, Bureau staff managed seven Tariff Change Applications.

Applications/UCR

TOTAL= 2,306- MOTOR CARRIERS

Certificates And Permits

- Non-Emergency Medical Transport Service – 63 certificates and 36 Permits
- Limousine Service – 28 Certificates and 3 Permits

- Tour and Sightseeing Service – 17 Certificates

- Household Goods Service – 51 Certificates and 2 Permits
- Municipal Taxicab Service – 5 Certificates and 3 Permits
- General Taxicab Service – 25 Certificates and 7 Permits
- General Shuttle Service – 25 Certificates and 7 Permits
- Scheduled Shuttle Service – 1 Certificate
- 215 Certificated Motor Carriers
- 58 Permitted Motor Carriers

273 Total Certificated and Permitted Motor Carriers

Warrants

- 1,662 General Commodities
- 334 Towing Service
- 67 Repossession Tow
- 3 Charter Bus Service
- 4 Cadavers
- 71 Hazardous Materials
- 2 Firefighters

2,033 Total Warrants

Ambulance Service – 86 Certificates and 5 Permits

Transportation Network Companies – 3

UCR Registered Carriers – 4,228

The Bureau is tasked with investigating serious railroad accidents and determining the operational condition of affected equipment...and determining if Federal regulations have been violated.



DIVISION REPORTS

Pipeline Safety Bureau (PSB)

JASON N. MONTOYA, PIPELINE SAFETY BUREAU CHIEF

The Pipeline Safety Bureau conducts inspections on over 48,000 miles of intrastate pipelines.

Under 70-3-11 thru 70-3-20 NMSA 1978 “Pipeline Safety Act” and Title 18, Chapter 60, Part 2 “Pipeline Safety General Provisions”, the Pipeline Safety Bureau (PSB) conducts inspections on over 48,000 miles of intrastate pipelines consisting of approximately 2,244 miles of intrastate gas transmission pipelines, 29,235 miles of regulated gas gathering pipelines, 14,807 miles of distribution gas mains, 1,749.6 miles of hazardous liquid trunk lines, non-rural crude oil gathering lines, and CO2 pipelines, and on more than 290 master meter and LPG inspection units. New Mexico’s pipeline inspection program consists of standard, specialized (operator qualification, gas transmission integrity management, distribution integrity management, excavation damage, public awareness, control room management, high risk, and drug and alcohol), follow-up, incident investigations, construction and testing, tank, and Section 114 inspections.

Under 62-14 NMSA “Pipeline One-Call Notification System”, Title 18, Chapter 60, Part 2 “Pipeline Safety Excavation Damage Prevention” the PSB has enforcement authority over excavators,

one-call centers, and underground facility operators, and may assess administrative penalties of up to \$5,000 for a first offense and up to \$25,000 for subsequent violations. The PSB investigates all excavation damages (damages are required to be reported by rule) and may initiate on-site citations for probable violations of the Statutes and Rules.

The PSB is staffed with 14 members and is seeking Legislative approval to hire approximately 10 additional staff that will be needed for the increase in inspections due to the new Federal Gas Gathering Rule, construction inspections, and Section 114 inspections.



DIVISION REPORTS

Consumer Relations Division (CRD)

IN MEMORY OF **DAVID MARTINEZ**, DIVISION DIRECTOR

CRD serves as the agency's point of contact for New Mexicans with inquiries or disputes relative to services provided by industries regulated by the NMPRC.

CRD Division Director, David Martinez passed away on September 11, 2023. David was a force for good in the agency and in New Mexico. As he led our Consumer Relations Division, he also ensured that each New Mexican was treated with respect and compassion. He was a reliable team member and brought joy and energy to our lives. He is sorely missed.

The CRD's regulatory authority includes the utility, telecommunication, and transportation industries. CRD generally works to resolve disputes within 10 business days and when warranted obtains equitable refunds or credits for consumers if any violations of agency rules have occurred. CRD compliance officers interact with consumers and industry representatives to resolve disputed issues in an equitable manner.

During FY23 the CRD received 743 consumer related complaints or disputes. These exceeded FY22 disputes by 169 or 29%. Of these, 710 were successfully resolved. Of the remaining 33 unresolved disputes, four moved forward as formal

complaints to the Commission and the remaining disputes were referred to other agencies. New Mexico consumers received refunds or credits in the amount of \$120,591.90, which exceeded the FY22 amount by \$22,591.90 or 26%. Of the total refund or credit amount, \$71,743.34 was related to utility industry issues and \$48,848.56 was related to transportation industry issues.

Some of the increased volume of consumer disputes in FY2023 may be attributed to the expiration of a government memorandum that had relaxed scheduled individual payment requirements during the COVID-19 pandemic. Many consumers found themselves in arrears with high account balances and were faced with the possibility with having service suspended if payments were not made in full. CRD responded to consumers and worked with service providers to establish payment arrangements to avoid service disconnections.

CRD is well aware that a changing economy will impact the number of

disputes expected in the future. CRD will continue to work with partner agencies to properly address or refer disputes as may be dictated by a variety of situations that come to it for handling. Service industries are constantly innovating, thus creating different service products for consumers. CRD will continue to evolve with the changes in the service industries in order to equitably mediate disputes.



Administrative Services Division (ASD)

MIRANDA MASCARENAS, DIVISION DIRECTOR

ASD supports the Commission in budget and accounting, procurement, case docketing, information systems services and personnel services.

ASD consists of four bureaus: Budget and Finance, Records, Information Technology, and Human Resources.

The Budget and Finance bureau consists of five employees that process hundreds of fiscal transactions each year as well as oversee procurement for the NMPRC. The bureau works with all divisions of the NMPRC to ensure fiscal transactions are processed in accordance with state statute, manual of model of accounting practices, and governmental audit and accounting standards. In working with the Commission, Chief of Staff, and divisions within the NMPRC, the Budget and Finance bureau assesses the needs of the agency, and compiles and submits the annual budget request for the following fiscal year before September of each year. Additionally, the Budget and Finance bureau is responsible for the completion of the annual financial statement audit for the NMPRC. In Fiscal Year (FY) 2022, the agency received an unmodified audit opinion, concluding that the financial statements were presented fairly, in all material respects, in accordance with governmental accounting standards.

The FY 2022 audit report can be found at <https://www.prc.nm.gov/administrative-services/>.

The Records bureau consists of four employees that are responsible for case docketing, IPRA requests, filing and processing of advice notices, creating record propers for advice notices, and receipt and postings of incoming filings daily. As of September 2023, the Records bureau has docketed more than 300 cases and closed over 250 cases, received over 60 IPRA requests, processed nine record propers of cases appealed to the New Mexico Supreme Court, processed over 60 advice notices, and received and filed over 20 formal complaints. The Records bureau has also been overseeing the transition of the Transportation Division records to the New Mexico Department of Transportation (NMDOT). Effective July 1, 2024 the Transportation Division will transfer to the NMDOT. This has been a very labor intensive and demanding task to ensure that the thousands of Transportation Division records are properly identified and transferred.

The Information Technology bureau is responsible for providing IT support for all employees within the PRC as well as ensuring that open meetings are broadcasted to the public via YouTube. This bureau consists of three employees. Most recently, IT oversaw the redesign of the new PRC website and worked closely with the Chief of Staff's Office on the new agency logo and rebranding efforts. Also, IT launched an intranet site for NMPRC employees to provide staff with an internal website where they can access agency-specific forms, staff directories, and other internal documents. The intranet is a new and evolving tool for NMPRC that we are all excited to see continue to develop.

In the coming months, ASD will be overseeing the planning and transition to the Educational Retirement Board (ERB) building, the future home to the NMPRC. During the 2023 legislative session, Senate Bill 144 was passed and signed into law. This legislation provided funding to the New Mexico General Services Department (GSD) to purchase the ERB building with the intent to house the NMPRC there. The NMPRC is anticipating the move will not officially take place until late 2024 or early 2025. However, ASD will be working with GSD on the renovations and the needs for the PRC prior to the official move to the ERB building.

Human Resources



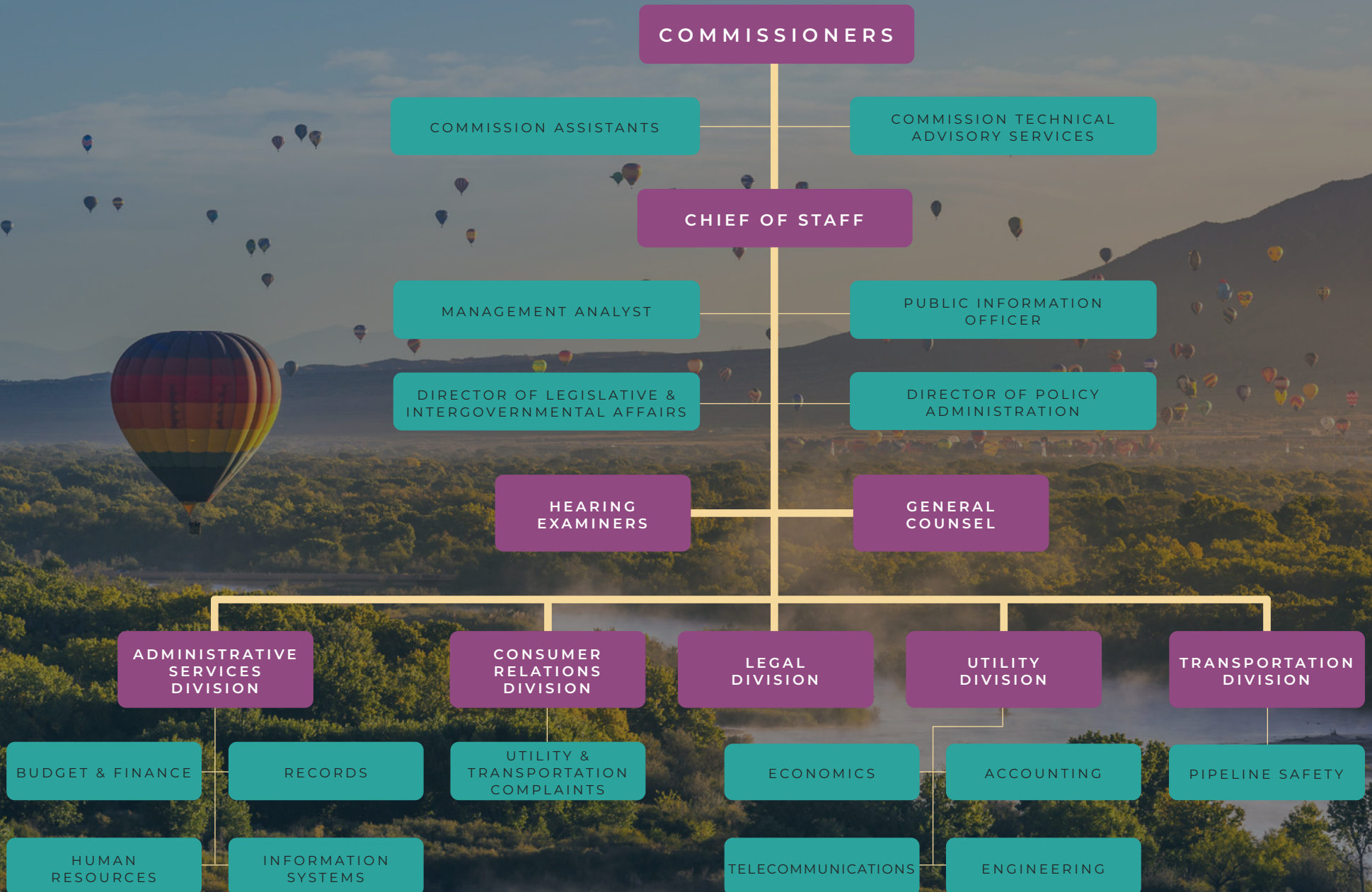
RENE KEPLER
MANAGER

Human Resources is an essential part of the NMPRC, providing employee relations, recruitment, compensation and benefits, onboarding, training, and development for the agency. Over the past year, HR reduced the NMPRC's vacancy rate from 20.24% to 4.76%. HR's commitment to hiring the most qualified candidates helps to ensure NMPRC provides professional and adequate services to the public. Collaborating with universities, NARUC, and other state entities has fueled successful hiring outcomes.

In addition to seeking new outstanding team members, HR works to retain the expert staff the NMPRC already has through responsive, knowledgeable, and courteous service, as well as expedient handling of personnel matters. HR also advises management on sensitive, complex, and difficult recruitment, placement, and affirmative employment issues.



PRC Organizational Structure





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COMMISSION**

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