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NMUSA Annual Membership Luncheon and PRC Candidate Forum Albuquerque Grand Airport Hotel - October 13, 2010

PRC Candidate Forum - 9:45 - 10:45 am

Confirmed: District 2: Stephanie DuBois and Patrick Lyons
District 4: Theresa Becenti-Aguilar and Gary Montoya
District 5: Ben Hall

Utility Company Information Fair - 10:45 - 11:30 am

NMUSA Luncheon - 11:30 am - 1:00 pm

Paul J. Gessing, President, Rio Grande Foundation
"The Real Cost of Renewable Energy and
Increased Environmental Regulations"

**Special Guests from Edison Electric Institute and American Gas Association
Also Featuring: NMUSA update and Member Survey Results**

These events should not be missed!

All events are free for dues paying members and a guest. All others \$35.

Invitations mailed 9/10/10.

RSVP deadline 10/1/10 or until the room is full.

Aren't a member of the NMUSA? Haven't paid dues for 2010?

Just fill out the form on page 11 and return with your check or money order.
An easy way to support the NMUSA: the Alliance that always has YOU first on
its agenda!

"Together, we have the Power!" Please join us.

Public Regulation Commissioners' Survey Responses

Learn about PRC candidates running in Districts 2, 4 and 5 inside this issue.
Commissioners determine regulation on everything from your electric bill to your
ambulance service.

Important Dates:

**October 16-30
October 29
November 2**

**Early In-person voting
Absentee ballot deadline
Election Day**

Please vote!



Bill Pope

From the President . . .

The November election will be very important for all offices in New Mexico and for the citizens of our state. Probably none is more important than the candidates running for the Public Regulation Commission (PRC).

While we hope the elected Commissioners are knowledgeable on the many issues that come before them, we hope they will have a broad understanding of the effects of their decisions on both the companies and the citizens of New Mexico. Please avail yourself of all of the information about each candidate before you vote. If we do this the PRC will be a stronger commission and the companies and its customers will be well served.

You can read the candidates' responses to NMUSA's survey in this issue of **Shareholder News**. And, you can hear them live at the NMUSA PRC Candidate Forum that will be held before NMUSA's Annual Luncheon on October 13, 2010. These are two more ways to help you make an informed decision at the polls and yet another service of this fine Alliance of utility shareholders.

Bill



Xcel Energy's Lineman's Rodeo

AMARILLO, Texas – Electric lineman from Xcel Energy's New Mexico and Texas service territory had a rodeo on July 17, 2010 – 40 feet in the air.

For two decades the company has used its Lineman's Rodeo – in actuality a pole-climbing competition – not only to showcase lineman skills, but also to better prepare linemen for the rigors of their everyday jobs.

Teams and apprentices from New Mexico and Texas, as well as the Public Service Company of Colorado, an Xcel Energy Company, came together in Amarillo for this event. “Just like a regular rodeo, our event showcases and fine tunes the skills that are critical to the jobs these men work every day,” said Dwayne Marchbanks, manager of transmission line construction with Xcel Energy in Amarillo.

Marchbanks said that, in addition to having a lot of fun, the rodeo focuses on fine-tuning safety skills. In fact, promoting safety was the primary motive for getting involved in lineman's rodeos back in the 1980s. “Safety is a core value of this company, and we take it seriously,” Marchbanks said. “But safety training can be monotonous. When we added some fun and a bit of rivalry to this effort, our training became more effective.”

The competition is divided into two parts – journeymen compete on three-man teams, consisting of two climbing journeyman and a groundman and apprentices compete individually. The team competition features two traditional line competitions and three mystery events. The top three teams and apprentices from this event earned a trip to the International Lineman's Rodeo in October in Bonner Springs, Kansas.

The two known team events are the Pole Climb with Raw Egg and the Hurt-Man Rescue. The pole climb involves a lineman climbing a pole with an egg in a canvas bucket, removing the egg and placing it in his mouth, knocking loose an existing bucket atop the pole, and descending with the unbroken egg in his mouth.

Hurt-Man Rescue scores a lineman's ability to rescue a 165-pound, life-size dummy from atop a pole and bringing the dummy safely to the ground, secured in rescue rigging. Mystery events are unknown events that cannot be practiced ahead of the competition, but involve everyday job and safety skills expected of a utility lineman.

The apprentices compete in five events: Apprentice Hurt-Man Rescue, pole climbing events, a written test, and two mystery events.

“Employees from all departments of our company get involved in this event,” Marchbanks said. “They cook hamburgers and hotdogs, sell T-shirts and caps and provide activities for the kids. And because our employees are spread out over 50,000 square miles, the event provides a family reunion-type atmosphere.”

Xcel Energy (NYSE: XEL)

JFK Got It Right, but the Tax Debate Continues

There is much debate over whether to extend the 2001 and 2003 tax cuts. And, based on the struggling economy, support for extending the tax cuts beyond December 31, 2010 is growing from both sides of the aisle in Washington.¹ Shareholders are obviously affected by the dividend tax and probably will be affected by some, if not all, of the other taxes as well. So, it's worth taking a more in-depth look at this controversial discussion.

In his December 14, 1962, address to the Economic Club of New York, President John F. Kennedy stated, "***Our true choice is not between tax reduction, on the one hand, and the avoidance of large federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep rising, an economy hampered by restrictive tax rates will never produce enough revenues to balance our budget — just as it will never produce enough jobs or enough profits.***

. . .In short, it is a paradoxical truth that tax rates are too high today and tax revenues are too low and the soundest way to raise the revenues in the long run is to cut the rates now. The experience of a number of European countries and Japan have borne this out. This country's own experience with tax reduction in 1954 has borne this out. And the reason is that only full employment can balance the budget, and tax reduction can pave the way to that employment. The purpose of cutting taxes now is not to incur a budget deficit, but to achieve the more prosperous, expanding economy which can bring a budget surplus."

We have seen significant tax cuts since 1978 when the highest U.S. marginal earned-income tax rate was cut from 50% to 35% and the highest capital gains tax rate cut to 15% from almost 50%. The dividend tax rate, which has been as high as 70%, was cut in 2003 from almost 40% to the current rate of 15%. These tax cuts support the concepts for economic expansion espoused by JFK, a president with widespread support in both parties.

It's interesting to note that during this period of tax cuts, income tax receipts from the top one percent of income earners rose to 3.3% of the Gross Domestic Product (GDP) in 2007 (the latest year for available data) from 1.5% of GDP in 1978. In addition, income tax receipts from the bottom 95% of income earners fell to 3.2% of GDP from 5.4% over the same time period.² And, with the GDP rising from approximately \$2.3 trillion to \$14.1 trillion during this time, these numbers are significant. So why then is there motivation to return dividend, capital gains and other tax rates to higher levels?

Cutting taxes on dividends and capital gains were some of the most significant accomplishments of the GOP Congress and President Clinton during the 1990's. Remember, those are tax cuts on after tax income. Why is that important? Because dividends and capital gains are already taxed and usually more than once. For example, you purchase stocks with income that has been taxed, companies pay dividends with after tax profits and then you pay tax on the dividends you receive.

So if you're going to pay taxes on that same dollar three times, doesn't it make sense to at least have the rate as low as possible?

To learn more about the benefits of keeping low dividend tax rates, and to send letters to your Members of Congress, please visit our website at www.nmusa.org. At the bottom of the home page, you will find a link to the "Defend My Dividend" website where you can click "Take Action". After you enter your contact information, the web site will automatically match you with your legislators so you can easily send letters asking them to stop a dividend tax hike.

1 Martin Vaughan and John D. McKinnon, *Democrats Dissent on Bush Cuts*, [More Democrats Call for Keeping Tax Cuts - WSJ.com](http://online.wsj.com), <http://online.wsj.com>, (July 22, 2010)

2 Arthur Laffer; *The Soak-the-Rich Catch-22*, <http://online.wsj.com/article/> (August 2, 2010)

Stephanie L. DuBois

District 2 Tularosa, NM Democrat



Education: High school diploma; training from UNM school of Law as a certified Mediator for Magistrate Court, College credits from Eastern at Ruidoso; Community education courses in Grant Proposal writing and conversational Spanish.

Please list any specific education, training and experience which you feel qualifies you for your potential role as a PRC Commissioner and explain its relevance: I have been doing mediation for Magistrate Court for five years. Being able to listen to two parties in a dispute and enable them to come to a resolution will help me in my decision making on cases that will come before the PRC. Mediation has taught me that a fair and honest approach is the best way to go with no personal agenda. I was the manager of the Deming-Luna County Chamber of Commerce from 1980-83. I did all the books, the taxes and payroll. Our Chamber was two fold as it was also Tourism and Development and I served on that board as well. I was able to take the Chamber from a balance of \$140 to \$9,000 over the course of the three years. I started a band booster program in Deming for the Junior High school band and served as its treasurer. I presently serve as Vice President of the Red Brick School Restoration Foundation, a foundation dedicated to preserving and restoring an historic school building in the 49 block of Tularosa. I have lobbied, unpaid, my state elected officials for funds to do this and have been quite successful. We received \$300,000 from Governor Richardson to put on a new roof as a result of active lobbying.

Business Experience: I have run my own business for over 30 years. Dog Grooming and Training. Meeting and serving the public have always been a part of my life.

Priorities as a PRC Commissioner: Being accessible to the public. Never embarrassing the people who put me there. To treat all those who come before the Commission with dignity and respect.

1. Please describe how you would define your role as a PRC Commissioner as it relates to consumer, shareholder, utility companies and their employees.

My role as a PRC Commissioner is to uphold those statutes that guide the PRC; be sure that all those entities are treated fairly; make decisions based on fact and justification.

2. What is your personal policy regarding attendance of regularly scheduled PRC Open Meetings? My policy regarding PRC Open Meetings is to be there to represent the people who put me there. And to earn the \$90,000 salary that is paid for doing the job.

3. What do you think is a fair Return on Equity (ROE) that a regulated utility should be allowed to earn? ROE is based on several things. But I would say around 10% would be fair at this time.

4. Regarding PRC staff in the various divisions, how do you think qualifications should be determined and enforced when filling these positions? There are state personnel statutes and rules for hiring classified employees which, as a PRC Commissioner, I must abide by. I think on exempt employees there should always be an open hiring process with advertisements and interviews.

5. Do you think PRC Commissioners should be actively involved in lobbying for or against proposed legislation? There is nothing in state law that would preclude a commissioner from lobbying for or against legislation. So my answer would be yes. Until such time as it would be against state statute.

Patrick H. Lyons

District 2 Quay County, NM Republican

Education: Clovis High School-1972
 Bachelor of Science-New Mexico State University-1976
 Master of Agriculture-Colorado State University-1978



Please list any specific education, training and experience which you feel qualifies you for your potential role as a PRC Commissioner and explain its relevance: Education as stated above, owner-operator of Lyons Ranch for 30 years, 10 years New Mexico State Senate, 1993-2002. 6 years Senate Finance Committee, 8 years on the Legislative Finance Committee (LFC). 10 years on Water and Natural Resource Committee, 8 years as Commissioner of Public Lands (2002-2010). Lots of same issues at both PRC and land office.

Priorities as a PRC Commissioner:

1. Good government with both consumers and shareholder input;
2. All hiring, dismissals and pay adjustments go through PRC Commissioners;
3. Good customer service: Return all calls within 24 hours; Friendly, good attitude;
4. Better attendance at meetings;
5. All increases in utility rates and insurance rates go through the PRC Commissioners with hearings and consumer and shareholder input;
6. Timelier rate hearing cases, don't take too long to make a decision.

1. Please describe how you would define your role as a PRC Commissioner as it relates to consumer, shareholder, utility companies and their employees.

A Public Regulation Commissioner's role is to ensure that fair and reasonable rates are charged by utilities, telecommunication, insurance and motor carriers industries, and that these resources and services are provided to all New Mexicans. While the PRC is protecting the consumer, it also must listen to the regulated company's views. Companies must plan for future needs, so the company must secure a fair rate of return or New Mexico will suffer in the future.

2. What is your personal policy regarding attendance of regularly scheduled PRC Open Meetings? Require mandatory attendance, unless excused; if attendance by phone use of web cam or Skype on home computer.**3. What do you think is a fair Return on Equity (ROE) that a regulated utility should be allowed to earn?** A fair return of equity is what is given to a utility in exchange for a license and service to all consumers. I believe a fair return of equity should be determined by the economic conditions at that time. There needs to be a balance between the shareholders and the consumers.**4. Regarding PRC staff in the various divisions, how do you think qualifications should be determined and enforced when filling these positions?** Qualifications regarding PRC staff positions should be determined by experience and education.**5. Do you think PRC Commissioners should be actively involved in lobbying for or against proposed legislation?** Today the PRC has a poor public image. I would like the PRC to provide good government. Some changes will need legislative action. Yes, I believe in the 2nd amendment and the PRC Commissioner should be involved in legislation.

Theresa Becenti-Aguilar

District 4 Albuquerque, NM Democrat



Please list any specific education & training.

- 1995 Paralegal Certificate, UNM, Los Alamos
- 1994 Paralegal Studies, Santa Fe Community College
- 1990 Business Accounting Certificate, Santa Fe Business College
- 1982 Business Administration, New Mexico State University (attended two years)
- 1979 Gallup High School Graduate

I built my career around prominent leaders at local, state and federal levels: 1988 - 1989, Federal Bureau of Land Management as a student intern;. 1989 - 1999, New Mexico Attorney General Tom Udall's office; 1999 - 2005 US House of Representatives as Constituent Services Representative/Tribal Relations. In 2006, I was appointed the first Native American Liaison for the NMPRC.

Business Experience:

While employed at the NMPRC, I established and fostered cooperation with the Native American Tribal governments and the Commission in order to facilitate services. Advised the Commission about problems faced by various Pueblos, Nations and Tribes and established proper communication with Division Directors. Under my leadership, I established a Tribal Working Group for Tribal Leaders, PRC Commissioners, New Mexico Tax and Revenue Department regarding Telecommunication and Utilities Tax exemptions for Native Americans.

Priorities as a PRC Commissioner: My priority is to represent New Mexicans and educate the public about PRC responsibilities. I will base my decisions for fair and reasonable utility rates for residential, small and large commercial customers.

1. **Please describe how you would define your role as a PRC Commissioner as it relates to consumers, shareholders, utility companies and their employees.** Utility companies may experience financial challenges but providing a growing demand for electricity should not result in either higher rates or reduced quality of service. I will speak for the interest of the consumers and challenge proposed rate increases by utility companies.
2. **What is your personal policy regarding attendance of regularly scheduled PRC open meetings?** I represent District 4 constituency with the best of my ability. The constituents' voices are what I bring to Santa Fe PRC open meetings and my attendance is absolutely crucial.
3. **What do you think is a fair Return on Equity that a regulated utility should be allowed to earn?** Working for constituents is my top priority. My decision will be based on the needs of constituents and a balance of utility companies profit measures. As a PRC Commissioner, I will review current rates and future proposed rates and base my decision on factual information.
4. **Regarding PRC staff in the various divisions, how do you think qualifications should be determined and enforced when filling these positions?** It is absolutely crucial that qualified individuals fill positions in various divisions. An advisory committee from various organizations such as health insurance industry can streamline candidates to top five and the PRC Commissioners can select the best candidate of the top five.
5. **Do you think PRC Commissioners should be actively involved in lobbying for or against proposed legislation?** Legislative bills introduced at the legislative session is very important to follow. PRC Commissioners along with staff carefully tracks legislative bills related to PRC and progressive analytical process takes place. I believe the proper way to speak about a certain bill is to encompass technical staff and make my evaluation in terms of my constituents' voice. My best judgment will be based for all citizens of New Mexico.

Gary J. Montoya

District 4 Shiprock, NM Republican



Education: Shiprock High School 1981
 Attended Western New Mexico University 1981
 Attended San Juan College 1982

Please list any specific education, training and experience which you feel qualifies you for your potential role as a PRC Commissioner and explain its relevance: My back ground and experience are very diverse and includes:

Coal mining, 14 years, including mine rescue training, fire fighting, first responder, confined space, haz-mat, high angle rope rescue, swift water, Mine Safety and Health Association certified mining supervisor. All areas of mining including: reclamation, plant operation, maintenance, revegetation, and pipeline safety.

Oil field experience; drill pipe and drill pipe casing inspection.

Volunteer fire fighter.

Owner/operator of Montoya's Delivery Service.

Retail service, Home Depot, 6 years, including supervisory experience and work in multiple departments. 400 hours of training including 80 hours supervisory training.

Facilities maintenance with Central Consolidated School District 22 to include pipe line safety.

Parent Advisory Committee President for Shiprock Alternative Schools, Inc. (SASI) in Shiprock, 5 years. I worked with parents, staff, administration, and school board members. I represented SASI in Washington DC to obtain \$25 million for a new school in Shiprock. High School, Junior High, and youth coach for wrestling and football programs in Shiprock.

And the experience that I am most proud of is the service to my country, US Army, 1984-1988. I served in Korea and Europe as a Mechanic and Hospital Dietician assistant.

This diverse history allows me to view issues from a much broader spectrum taking into consideration practical application from many different areas of life.

Priorities as a PRC Commissioner: To restore a true sense of service to the people. The office belongs to the people who hire us and pay our wages and our duty as public servants is to serve them. This is done through fairness and equity and due process to all. There has to be a balance between all parties: consumers, shareholders and business owners. Also, to make New Mexico more business friendly we need to untie the hands of those who create jobs in New Mexico.

1. Please describe how you would define your role as a PRC Commissioner as it relates to consumer, shareholder, utility companies and their employees.

Balanced; because of my diverse back ground it allows me to be objective.

2. What is your personal policy regarding attendance of regularly scheduled PRC Open Meetings? In regards to my attendance, as often as possible, and I believe open means open to all.

3. What do you think is a fair Return on Equity (ROE) that a regulated utility should be allowed to earn? 10 - 12%.

4. Regarding PRC staff in the various division, how do you think qualifications should be determined and enforced when filling these positions?

Only those whom are experts in their respected fields, wish to serve the public, and can be truly objective in their research should be hired. PRC employees produce valued information that is used to make decisions which will affect all citizens of New Mexico and their selection is critical to the Commissioner's decision-making process.

5. Do you think PRC Commissioners should be actively involved in lobbying for or against proposed legislation? Commissioners should provide input to legislators as required, but should not push their own personal agendas in the legislative process.

Bill McCamley

District 5 Las Cruces, NM Democrat



Education: BA Government, NMSU '01. Masters Public Policy, Harvard '03.

Please list any specific education, training and experience which you feel qualifies you for your potential role as a PRC Commissioner and explain its relevance: Doña Ana County Commissioner, '05-'08 (Chair, 2005). Since the Board dealt with utility issues, emergency services, and corporations, it also helped educate me on many of the issues I will confront as a NMPRC Commissioner.

Executive Director, New Mexico Rural Development Council, '04-'07. The organization assists very small NM communities in developing resources such as economics, housing, and transportation infrastructure. Through this job I learned much about how utilities play a role in attracting and keeping jobs, especially in rural areas.

Over the last months, I have immersed myself in learning necessary information. This includes reading textbooks on telephone and electricity provision, conversing with telephone/power/insurance providers and emergency service personnel, and attending PRC and legislative meetings. I believe that, if elected, I will be prepared enough to be an effective Commissioner from the first day. Business Experience: 1 year, real estate sales, Grubb and Ellis Commercial (2004) and 7 weeks, farm laborer, Sierra Vista Growers and Marathon Agricultural (2008).

Priorities as a PRC Commissioner: 1. Keep utility rates low. 2. Generate an environment to create jobs. 3. Author health insurance reform. 4. Administer ethics policies to re-establish trust between the PRC and the public. 5. Keep public safety departments (fire and ambulance) effective.

1. Please describe how you would define your role as a PRC Commissioner as it relates to consumer, shareholder, utility companies and their employees. 1. Set goals within time frames for Commission, Utility, and Health Insurance reform; 2. Ask extensive and thorough questions regarding cases coming before the Commission; 3. Make decisions that are in the best interests of the community as a whole, focusing on the needs of people to live productive lives and businesses to compete on a local, regional, national, and global level.

2. What is your personal policy regarding attendance of regularly scheduled PRC Open Meetings? Commissioners are paid a high salary to attend meetings and utilize information gained there to make good decisions. Though there will be times when missing meetings will be acceptable, these times should be extremely few. Should I be elected, I will be a consistent presence at PRC meetings.

3. What do you think is a fair Return on Equity (ROE) that a regulated utility should be allowed to earn? ROE allowed for utility companies should reflect the economy as a whole..

4. Regarding PRC staff in the various division, how do you think qualifications should be determined and enforced when filling these positions? PRC Commissioner should not be micromanagers. Commissioners should be kept in the loop regarding hiring, but the nuts and bolts of such activities should be left up to the Chief of Staff (who should use education, experience, and other qualifications to determine employment). Politics and personal relationships should be kept away from the process.

5. Do you think PRC Commissioners should be actively involved in lobbying for or against proposed legislation? Since the PRC is greatly affected by legislation, part of Commissioners' responsibilities should be to actively engage themselves in the legislative process in areas relating to the PRC.

Ben L. Hall

District 5 Ruidoso, NM Republican



Education: High School Graduate
1 Year at Western New Mexico University

Please list any specific education, training and experience which you feel qualifies you for your potential role as a PRC Commissioner and explain its relevance:

40 years as a General Contractor; two terms as a County Commissioner, Lincoln County; and three terms in the New Mexico House of Representatives.

Priorities as a PRC Commissioner:

Have the Commission take control of the PRC in all divisions. Administer duties in a fair and impartial manner for consumers and providers.

1. Please describe how you would define your role as a PRC Commissioner as it relates to consumer, shareholder, utility companies and their employees.

As a PRC Commissioner I will have the obligation to protect the rights of the consumer, shareholders and the utility company. All utilities must make a profit so they can take care of their shareholders, but at the same time the concerns of the public must be protected. Bad judgment or mismanagement on the utility company's part cannot be handed down to the ratepayers to correct.

2. What is your personal policy regarding attendance of regularly scheduled PRC Open Meetings?

I fully intend to attend all regularly scheduled meetings if at all possible. I believe it is all the Commissioners' responsibility to do this. If they do not then they are cheating the people that elected them.

3. What do you think is a fair Return on Equity (ROE) that a regulated utility should be allowed to earn?

I think a fair rate of return should be around 10%, maybe a little more or less depending on individual circumstances.

4. Regarding PRC staff in the various division, how do you think qualifications should be determined and enforced when filling these positions?

Each division should have their own description of the qualifications necessary to fill whatever job position is open.

5. Do you think PRC Commissioners should be actively involved in lobbying for or against proposed legislation?

Yes. I believe the Commission should actively introduce or lobby for legislation that will help the PRC function in the best possible way for all concerned.



Doing More For Customers — Automated Meter Reading

New Mexico Gas Company is pleased to bring the latest meter reading technology to its customers in the Albuquerque and Santa Fe metropolitan areas. This state-of-the-art technology enables gas meters to be read automatically using a small, battery-operated device installed on the meter. Automated meter reading (AMR) has been used nationwide for forty years, and the technology has been proven to provide the most accurate meter readings, with a 99.999% accuracy, and to eliminate errors that result from manual reads.

“AMR technology will provide many benefits to our New Mexico Gas Company customers, which is why our Company chose to invest about \$23 million in this project,” said Annette Gardiner, President. “AMR not only means our customers will receive the most accurate bills each month, it eliminates missed meter reads due to bad weather or difficulty accessing meters, which can lead to the need to estimate bills.”

“AMR also means greater convenience for our customers. They no longer have to make arrangements for access to the gas meter or need to read their own meter and report the readings to us,” said Aaron Roberson, Vice President of IT and AMR Project Manager.

New Mexico Gas Company began upgrading the approximate 345,000 gas meters in mid-July and expects to be done by February 2011. After installations are completed, the units will be field tested and the automated readings will undergo validation testing against manual reads before being used for billing. The AMR project will create around 110 temporary field installation jobs and five new full-time positions to service the Belen-Albuquerque-Santa Fe routes.

“AMR is expected to result in greater customer satisfaction and a reduction in customer complaints related to meter readings and estimated bills, billing errors, and meter access problems,” said Mrs. Gardiner. “Other gas utilities that have implemented AMR have seen customer complaints related to meter reading and billing reduced by half.”

For more information, visit www.nmgco.com



APS Supports Proposed State Energy Efficiency Standard

The Arizona Corporation Commission (ACC) in July, unanimously approved the final rules for a new Energy Efficiency Standard (EES) that has been described as among the nation’s toughest. The EES will require APS and the state’s other regulated electric utilities, to achieve an accumulated savings equivalent to 22 percent of retail sales by 2020.

APS supports the standard, which gives customers more opportunity to continue managing their energy costs and reduce their electric bills. “This is one of the most aggressive standards in the country,” said Jim Wontor, manager of Demand-Side Management Programs for APS. “It’s going to be challenging, but we feel it is achievable. The new standard will benefit APS by reducing the cost of meeting increasing demand for electricity in the future.”

APS will work toward meeting the standard by increasing the broad range of energy efficiency programs already in place for residential and business customers and by developing new programs.

The ACC ruling is currently being evaluated by the state’s Attorney General, who must certify the new rules before they are implemented. Under the plan, regulated utilities will be required to begin energy savings next year and increase until they reach 22 percent in 2020. Utilities can include energy efficiency programs funded since 2005 and the required amount of electricity saved will be adjusted to account for population growth.

According to one industry study, the Energy Efficiency Standard will save Arizona residents \$9 billion in utility bills over the next 10 years and create 12,000 jobs. The EES also will reduce water use, as well as carbon emissions resulting from power plants.

Arizona’s 22 percent Energy Efficiency Standard will complement the state’s Renewable Energy Standard, which already requires regulated utilities to obtain 15 percent of their power from sources such as solar, wind, biomass geothermal or by 2020.

APS is the principal subsidiary of Pinnacle West Capital Corp. (NYSE: PNW).



STATE REGULATORS APPROVE TEP'S NEW BRIGHT TUCSON COMMUNITY SOLAR PROGRAM

Tucson, Ariz. – The Arizona Corporation Commission (ACC) has approved Tucson Electric Power’s (TEP’s) plan to provide customers with an affordable way to meet their electric needs with locally generated solar power.

By the end of this year, participants in TEP’s Bright Tucson Community Solar Program will be able to purchase shares of solar energy for as little as \$3 per month. The power will be produced by local photovoltaic (PV) systems, including an array that will be built at the University of Arizona’s Science and Technology Park later this year.

“The Bright Tucson Community Solar Program will make it easy for customers to shrink their carbon footprint while helping us reduce our community’s reliance on fossil-fueled power,” said Paul Bonavia, Chairman, President and CEO of TEP and its parent company, UniSource Energy Corporation (NYSE: UNS).

Program participants will be able to purchase 150 kilowatt-hour (kWh) “blocks” of solar energy at a rate that adds \$3 per month to their bills. Six blocks would cover the annual electric use of a typical household at a premium of just \$18 per month. Customers can buy as many blocks as they like until the available solar energy is fully subscribed, and they can cancel at any time.

The Bright Tucson Community Solar Program also offers protection against future energy cost increases. The rate paid for each block of solar power will remain fixed for 20 years. Since each block offsets the cost of an equivalent amount of traditional generation, the price premium paid by program participants would effectively be reduced if those traditional charges increase.

The Program will be funded in part by an ACC-approved surcharge intended to support the state’s Renewable Energy Standard (RES). The RES calls on utilities to increase their use of renewable energy each year until such resources represent 15 percent of their power by 2025.

Tucson Electric Power provides safe, reliable power to more than 400,000 customers in southern Arizona. To learn more, visit tep.com. For more information about UniSource Energy, TEP’s parent company, visit uns.com.

Join the Alliance NOW!

If you aren’t a member or haven’t paid dues for 2010, we strongly urge you to do so now. Dues are voluntary but help us attend regulatory and legislative meetings to advocate the interests of utility shareholders. Your contribution also helps fund this newsletter, our web site (www.nmusa.org) and membership meetings.

Name

Spouse’s Name (if applicable)

Address

City State Zip

Telephone Email Address

I own shares of stock in: (NM utility stock ownership required)
(Check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> El Paso Electric | <input type="checkbox"/> UniSource Energy |
| <input type="checkbox"/> Pinnacle West | <input type="checkbox"/> (Tucson Electric Power) |
| <input type="checkbox"/> (Arizona Public Service) | <input type="checkbox"/> Xcel Energy |
| <input type="checkbox"/> PNM Resources | <input type="checkbox"/> (Southwestern Public Service) |
| <input type="checkbox"/> New Mexico Gas Co | |
| <input type="checkbox"/> Other _____ | |

Please complete this form and mail with your annual dues of \$15. Please make checks payable to NMUSA.

Mail to: **New Mexico Utility Shareholders Alliance, 1003 Tomas Ct. SW, Albuquerque, NM 87121-8065**

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From the Executive Director . . .

There are several environmental initiatives within New Mexico that could have a tremendous impact on our state. We keep our members current on these issues through e-mails. If you have not heard from us on the New Energy Environment Petition and the NM Environmental Improvement Board's Cap and Trade rule, it means that we do not have a current e-mail address for you. We very much want to stay in touch and encourage you to send us your e-mail address so that we can keep you informed between newsletters. You can e-mail us at nmusa@rt66.com or use the form on the back of this page.

The upcoming election is very important and we hope you will vote. You can make a difference in electing officials who will make decisions that can positively impact New Mexico for many generations.

In this issue, we've brought you information on the three races for Public Regulation Commission. You can learn more about these candidates when they participate in the NMUSA forum that will be held before our Annual Luncheon. We hope you will join us for both events.

Until then, I wish you the very best that life has to offer and that you are enjoying this beautiful time of year!



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