



**NEW MEXICO
BUSINESS COALITION**

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RE: Oppose HB 218 Low Income Public Utility Rates

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. Our focus is to make New Mexico a better place to live and work, where we have an abundance of good-paying jobs to provide for our families.

New Mexico is ranked the third poorest state in the nation with a poverty rate of 17.85% according to [World Population Review](#). Soaring inflation and rising energy prices are taking a heavy toll on New Mexico families. This bill will only make that situation worse for many because they will be forced to subsidize the utility rates of others.

HB 218 Low Income Public Utility Rates requires a utility to provide lower gas or electric utility rates for low-income residential customers with the Public Regulation Commission responsible for establishing the rate structure. These lower rates would be subsidized by all other New Mexico rate payers and would ride most heavily on the backs of the lower middle class who are not eligible for government assistance.

We don't want anyone to suffer for lack of heating or cooling, but when you force increased rates on others to cover the costs for the low-income, you are creating additional hardships. It doesn't matter where you draw the line for poverty in this state, subsidizing costs for others will push many of those who are barely making ends meet into poverty. Consider those on a fixed income budget who can barely afford their own utilities. Any additional costs for these folks may be the difference between barely covering their daily expenses and having to skip meals or prescription refills.

In 1984, the New Mexico Supreme Court determined in *Mountain States Legal Foundation v. New Mexico SCC* that "Establishing a telephone discount rate program which differentiates between economically needy individuals who receive the same service is unjustly discriminatory." The same holds true for gas and electric utility rates.

On behalf of hard-working New Mexicans and businesses, and for the reasons stated, NMBC opposes HB 218 Low Income Public Utility Rates and urges you to say 'NO' to its passage.

Thank you,

A handwritten signature in blue ink that reads "Carla J. Sonntag".

Carla J. Sonntag
President and CEO