

**Officers**

- Bob Reed  
*President*
- Ed Borchardt  
*Vice President*
- Dan Lyon, J.D.  
*Treasurer*
- Lenton Malry  
*Secretary*
- Carla J. Sonntag  
*Executive Director*

**Directors**

- Al Adamsko  
Nelly Borchardt  
John Florez  
Bill Hagler  
Leo Pollak  
Bill Pope  
Alan Schwartz

**INSIDE**

- Energy Efficiency . . . 2*  
*Leadership. . . . . 3*  
*Board of Directors. 4-5*  
*Pope Honored. . . . 5*  
*Company Results. . . 6*  
*Membership. . . . . 7*



**Charlie Fritz**



**David Luken**

## 2006 Annual Membership Luncheon

### *Affecting Congress*

Charlie Fritz, Vice President of Government Relations with the American Gas Association (AGA) and David Luken, Director of Government Relations with the Edison Electric Institute (EEI), addressed a crowd of over 160 at the Annual Membership Luncheon on October 4, 2006 in Albuquerque. Both gentlemen work in Washington, D.C. to promote a positive working environment for utilities at the national level.

Fritz and Luken applauded the grassroots efforts of utility shareholder organizations nationwide in supporting the dividend tax relief extension and the 2005 Energy Policy Act. Fritz discussed the Alliance for Tax Fairness and Growth that consisted of NMUSA, AGA, EEI and over 50 other supporting utility shareholder groups, companies and associations. Luken spoke of the far reaching impact of the Energy Policy Act and the positive influence of our contribution to its passage.

Special guest, Vice Chair Jason Marks of PRC District 1, addressed the group. In his remarks he commended NMUSA for its participation in the regulatory process. He said that Ms. Sonntag does a good job of fairly presenting shareholder opinions, balancing that perspective with the fact that most shareholders are also ratepayers.

### **Special Note to Gas and Electric Utility Shareholders Who Are Not Members of the NMUSA**

*Would you like to continue receiving this newsletter? It's easy! Become a member by replying to the Membership Drive inside this newsletter. Membership dues are optional but help cover the costs of services we provide. You will receive quarterly newsletters as well as invitations to membership meetings. We will also represent your gas and electric utility stock interests in matters before the Public Regulation Commission, state legislature and Congress.*

*We encourage you to join the more than 2,600 NMUSA members today! Don't miss a single issue of Shareholder News or be left out of membership luncheons with informative speakers.*

**1003 Tomas Ct SW  
Albuquerque, NM  
87121**

**E-mail:  
nmusa@rt66.com**

**www.nmusa.org**



**Bob Reed**

## From the President . . . *A Seamless Transition*

On September 13, 2006, at its Annual Board of Directors Meeting, pursuant to the recommendations of the Nominating Committee, the Board elected the following officers for one year terms: Vice President, Edward Borchardt; Secretary, Lenton Malry and Treasurer, Dan Lyon, J.D. I was elected to succeed Ed as President, truly an honor and a privilege. Ed has developed, along with Carla Sonntag, our Executive Director, a smoothly functioning team facilitating an easy transition.

The function of the New Mexico Utility Shareholders Alliance (NMUSA) is simply "To champion the best public policy interests of shareholders of gas and electric utility companies operating in the state of New Mexico." That is our mission statement which heads the NMUSA bylaws. And it seems appropriate, at the beginning of each term, to review that trust and direction.

On a personal note, Ed and I have worked together with a good deal of personal and professional pleasure. That relationship promises progress and fulfillment of our pledge.

## About "An Inconvenient Truth"

The motion picture entitled "An Inconvenient Truth" makes the point (reinforced by global observation and investigation) that the earth is getting warmer. The former Vice President, Al Gore, should be complimented for providing the inspiration and presiding over the presentation.

The cause of this phenomenon is, however, less straightforward. Is the rise of global temperature a repetition of a natural cycle or a result of human activity? If we accept the latter premise, and caution dictates we should, we have to admit that reactive changes in our behavior are not happening very rapidly.

One facet of the overall problem is our insatiable appetite for electric power. Much of that power is produced by coal or gas-burning plants, a partial source of pollution thought to influence global warming. If we could curb our appetite for power, new plants could be postponed, or better yet, not built except for replacement.

There is an optimistic effort in this area. Last year, the New Mexico Legislature passed a bill entitled the "Efficient Use of Energy Act" which proposes that New Mexico "reduce energy consumption by 20% by the year 2020." The Act did not specify how this level would be achieved and it would certainly require some effort. It's probably safe to say that most citizens will help conserve energy - especially if there is no serious

compromise of life style.

Going down the list of energy-saving modifications, one must evaluate cost versus long-term benefit. The easiest change one can make is replacing incandescent light bulbs with the new compact fluorescent bulbs (CFL). They are available in several wattage sizes at most hardware and general merchandise stores. Price varies with wattage and while the initial investment is higher than regular bulbs, they pay for themselves over time by using less energy. In addition, they burn cooler and some are guaranteed for life.

Other more complex modifications could involve replacing standard thermostats with programmable ones or aging appliances (refrigerator, freezer, dishwasher, etc.) with those containing the Energy Star label. The Energy Star label represents that the appliance meets or surpasses minimum federal standards for energy conservation.

Given that energy conservation is a good thing, what are the industries' plans? One plan presented for consideration is 300 pages long and quite comprehensive in areas of customer education and incentives for energy efficiency. Put in force, it will help.

So, it makes sense to contribute what one can to improve the energy efficiency picture. Agree?

## Legislative Leadership

The next legislative session starts January 16, 2007 and has the possibility of 3000 bills being introduced, a daunting task to handle in only 60 days. As the bills make their way through the process, there are two key individuals that provide leadership and guidance. Both agree that the priorities of the upcoming session, declared the "Year of Water" by the Governor, will include education and health care reform.

### Ben D. Altamirano (D), Senate Pro Tempore



Senator Altamirano has served in the New Mexico Senate for 36 years, with the last two years as Senate Pro Tempore. He notes that two important issues, in addition to those listed, include improving the criminal justice system and crime prevention. Senator Altamirano states that the most important issues facing utility companies are: 1) regulatory provisions that

strangle growth; 2) roller coaster prices of natural resources; and 3) the cost of material goods and manpower.

### Ben Lujan (D) Speaker of the House



Speaker Lujan has held this position for the past six years and has been a State Representative for 32 years. Among the many issues to be addressed, Speaker Lujan would like to see the state create a business friendly environment that is conducive to growth and development, especially for small businesses. Equally important, he says, is the effort to diversify our supply

of alternative and renewable energy sources.

---

**Congratulatory Notes** have been sent to the winners in the Public Regulation Commission races:

District 2: David W. King (R)      District 4: Carol K. Sloan (D) and

District 5: Sandy R. Jones (D)

And to Gary K. King, incoming Attorney General.

NMUSA looks forward to working with these individuals.

---

## In Brief

**PNM Resources, Inc. (PNM)** and Cascade Investments LLC, the private investment vehicle for Bill Gates, announced it will join forces to create a joint venture with both Cascade and PNM 50-50 partners.

The new company, based in Albuquerque, NM, will seek to make investments in wholesale and retail electricity sales, electricity generation and some energy trading to optimize its assets. It will focus its efforts on electricity markets in the Southwest, Texas, and the Western part of the U.S.

PNM could contribute its existing nonregulated energy assets to the joint venture, allowing it to effectively split its regulated utility operations from the nonregulated business. Cascade would match the assets with equivalent cash contributions.

**Tribal Land Energy Rights-of-Way Renewals** A section of the Energy Policy Act of 2005 has brought complex questions about renewals of energy rights-of-way on tribal land. A draft report compiled by the Office of Indian Energy and Economic

Development found that there are many "complex and contentious" cases where renewals have been blocked or have led to much higher payments.

The report recommended a number of possible solutions: a "no change" policy, authorizing the federal government to determine what fair value should be, requiring binding valuations or having lawmakers authorize condemnation of tribal lands in instances where energy access is deemed crucial to national energy reliability. The final version of the report is expected to be made public in early December.

While energy companies argue for a standardized approach to negotiations, tribal leaders resist such an approach and favor individual negotiations. EEI has argued, "that the issue is one of national concern because only Congress or the executive branch can resolve the problem." EEI said that its members expect to see more than 271 rights-of-way agreements expire in the next 15 years. One utility, PNM, has 95 agreements that will expire during that time frame.

## The 2006 - 2007 Officers

### Bob Reed, President

Bob attended Drake University in Des Moines, Iowa. He retired as a Project Engineer from Sandia Labs after 32 years of service. His work there included membership on the Nuclear Weapon Systems Safety group and required nuclear weapon accident response. Later work in a Project Group involved development of a system for the safe and secure transport of nuclear weapons. From 1942 – 1945, he served as a Flight Radio Operator for 30 missions against Japanese targets.

Bob has served on the Board of Directors for NMUSA since its inception, including several terms as Vice President.

**Thoughts about NMUSA:** "It provides a valuable service in support of utility shareholders."

**Vision for the Board:** "Promotion of shareholder stature in connection with both utility companies and the government."



### Ed Borchardt, Vice President

Ed earned his Bachelor of Arts (BA) degree in Police Science and Public Administration from Sacramento State College and his Master of Arts (MA) in International Relations from Webster University. He retired as a US Air Force Captain after 25 years of service where his final years were in the Office of Special Investigations. Ed is currently working as a substitute teacher for the Rio Rancho Public Schools.

Ed has served on the Board of Directors for the NMUSA since its inception, including several terms as President.

**Thoughts about NMUSA:** "Being a member of this association has been a wonderful and rewarding experience in becoming an informed investor."

**Vision for the Board:** "Continue to monitor business performance of public utilities; maintain contact with business and government leaders; inform members of significant legislative and regulatory matters which may impact their investments; and increase membership."



### Dan Lyon, J.D., Treasurer

Dan earned his Juris Doctor (J.D.) degree from the University of New Mexico, School of Law, and his Bachelor of Science (B.S.) from Milton College. He has been a licensed Attorney since 1968. Dan retired from both US West and the State of New Mexico. He served in the state legislature for four terms and has been appointed by several governors to various boards and commissions. Currently, he is the elected AMAFCA Director for District 2 and works as an independent Mediator/Arbitrator.

**Thoughts about NMUSA:** "It is an educational organization that allows shareholders to protect their interests."

**Vision for the Board:** "That it continues to grow, i.e. get bigger, better and more effective at performing its stated mission."



### Lenton Malry, Secretary

Dr. Malry obtained his PhD from the University of New Mexico (UNM) and his BS from Grambling State University. He retired from the Albuquerque Public School system after serving as a teacher, principal and administrator. Lenton also taught for UNM, served on the County Commission for eight years and was a state representative for 10 years.

Lenton has served as Secretary of the NMUSA since 2004.

**Thoughts about NMUSA:** "It is a great organization for the representation of utility shareholders."

**Vision for the Board:** "To continue the expansion of shareholder representation and communication."



## Directors

### William (Bill) Hagler

Bill received his Bachelor of Science in Industrial Engineering (BSIE) from North Carolina State University. He is the President, CEO and Chairman of Intermountain Refining Co., Inc., President of Hagler Oil & Gas Co. and President of Red Hills Manufacturing Co., Inc. These firms are involved in natural gas production and the manufacture of wood products. He was previously engaged in petroleum refining and marketing, petrochemical manufacturing and power generation.

Bill has served on the Board of Directors of two publicly traded oil and gas companies and is still serving on the City of Farmington Public Utility Commission after 20 years.

**Thoughts about NMUSA:** "Provides a much-needed voice in areas where the interests of investors can be overlooked."

**Vision for the Board:** "Continue to provide responsible, well reasoned input to New Mexico policy makers. Monitor the impact of various mandates and regulations on shareholder values."



### Alan Schwartz

Alan received his Bachelor of Science (B.S.) in Business Administration from California State University Northridge and his Juris Doctor (J.D.) degree from the University of West Los Angeles. Now retired, Alan worked in various fields including accounting, financial management and real estate development. He has served on the City of Albuquerque's Environmental Planning Commission, The City/County Extraterritorial Land Use Commission, and is currently on the Board of Ethics and Campaign Practices for the City of Albuquerque. Alan is an active participant in the Rancho Sereno Neighborhood Association and a U S Navy Vietnam Era Veteran.

Alan has served as a Director of NMUSA since 1997.

**Thoughts about NMUSA:** "Does a good job representing shareholders' interests."

**Vision for the Board:** "Continue to promote interests of private party individual investors."



## Directors continued

### Al Adamsko

Al received his Bachelor of Business Administration from the University of Albuquerque. He spent 37 years in the natural gas industry working for Southern Union Gas and PNM. During that time, he served in various capacities including Chief Inspector of Pipeline Construction, Assistant Risk Manager and Corporate Safety Engineer in the Southern Union Gas home office.



Al has served on the Board of Directors for NMUSA since its inception, including one term as Secretary.

**Thoughts about NMUSA:** "The organization is necessary to have stockholders interest and input in helping the company grow."

**Vision for the Board:** "Continue to stay active in supporting the sound business endeavors of utility companies."

### Leo Pollak

Lee earned his BS degree in Geography and Geology at Illinois State. He retired as a Major from the US Army after 23 years of service. He worked in the Defense Intelligence Agency in the Pentagon and Arlington Hall, VA. Lee subsequently worked five years as a case worker for the state Welfare Department and 13 years as an Adjudicator for the state Disability Unit.



Lee has served on the NMUSA Board of Directors since 1997.

**Thoughts about NMUSA:** "It is a necessary tool for informing stockholders about issues affecting their investment."

**Vision for the Board:** "Continue serving all utility stockholders."

### Bill Pope

Bill completed his Bachelor of Business Administration (BBA) at Wayland Baptist University. After 44 years of service, he retired from Southwestern Public Service (SPS) as a Division Manager. Bill was responsible for SPS's entire service area in New Mexico from Tucumcari to Roswell. He was appointed to the State Corporation Commission in 1997 which was combined with the New Mexico Public Regulation Commission (NMPRC) in 1999. Bill served for three years in the NMPRC and was the elected Chairman in 2000 and 2001. He is currently serving on the Board of Directors for United Way and was the campaign co-chair in 2005.



Bill has served on the NMUSA Board of Directors since 2004.

**Thoughts about NMUSA:** "It is a good organization that supports and helps utility companies bring shareholders into partnership beyond their stock ownership."

**Vision for the Board:** "NMUSA needs to be kept aware of company issues and how we may be supportive. It should never be in a position to direct a company's plans or development."

### John Florez

John completed his BSEET at Metropolitan State College in Denver, CO and has spent 30 Years in the Utility Sector; 21 years with Public Service Company of Colorado (Xcel Energy) as System Planning Engineer, four years with the New Mexico Public Regulation Commission (PRC) as Senior Utility Engineer, and is currently employed at the Los Alamos National Laboratory (LANL) as a Power System Analyst.



**Thoughts about NMUSA:** "NMUSA is a necessary organization which provides New Mexico utility investors with a unified voice to provide a positive outcome to their investments in these utilities."

**Vision for the Board:** "That NMUSA stays proactive in public policy matters that affect utility companies, its investors and its rate payers."

### Nelly Borchardt

Nelly has taken college courses at both the College of Marin in Marin County, CA and American River Community College in Sacramento, CA. She was born in Bourbonnelles-Bains, France and came to the United States many years ago.



Nelly has been active with the Board of Directors of NMUSA for many years and has been instrumental in assisting with various meetings around the state.

**Thoughts about NMUSA:** "My time with NMUSA has taught me a great deal about the utility business and I feel better about my choices in investing."

**Vision for the Board:** "Keep shareholders informed; work with industry officials to balance views."

**NMUSA Director Bill Pope honored at a ceremony on October 26, 2006 by the New Mexico Public Regulation Commission (NMPRC). After induction into the newly established Honor Gallery, Commissioners took seats in the PRC Chamber.**



Seated from left to right: Herb Hughes, Rory McMinn, Bill Pope in the Chairman's seat and Jerome Block.

**Interested in being a part of this fine board? Please contact Carla J. Sonntag at (505) 836-4223.**

## The Importance of Total Return

When determining whether or not to invest in a company, most people like to have an idea of the company's growth potential; an analyst's job is to make those projections. For some companies, the important factor is earnings; for others, cash flow or dividends. Regardless of which factor is most important, history has shown that over long periods of time stock prices tend to move in recognition of growth. Therefore, when looking at potential return, it is useful to look at the analyst's projected growth rate – be it cash flow, earnings or dividend growth.

But looking only at growth could be misleading. Suppose an investor bought stock in a company that paid a \$2.00 dividend and the stock's price

moved from \$40 to \$50 during the year. The investor's total return would have been 30% (\$50 ending price plus \$2.00 dividend divided by \$40 is 30%). If the investor calculated only the percentage change in price movement (\$50 divided by \$40 is 25%), he or she would have understated his or her increase in wealth by 5% which was the dividend yield when the stock was purchased. In other words, it is important to consider the entire change in value, or total return – income received as well as change in price in determining the value of an investment.

*Ken Lersten is a Financial Consultant and Certified Financial Planner with AG Edwards.*

## Third Quarter Results

**El Paso Electric (EE)** For the third quarter 2006, EE reported net income of \$27.1 million, or \$0.57 and \$0.56 basic and diluted earnings per share, respectively. In the third quarter of 2005, EE had net income of \$28.0 million, or \$0.59 and \$0.58 basic and diluted earnings per share, respectively.

For the nine months ended September 30, 2006, EE reported net income of \$51.6 million, or \$1.07 and \$1.06 basic and diluted earnings per share, respectively. Net income for the nine months ended September 30, 2005 was \$28.8 million, or \$0.60 basic and diluted earnings per share.

Earnings declined slightly in the third quarter 2006 due to an unusually mild summer and higher expenses at the Palo Verde nuclear plant. The company repurchased approximately 1.8 million shares of common stock during the quarter ended September 30, 2006.

**PNM Resources (PNM)** Consolidated quarterly GAAP (Generally Accepted Accounting Principles) earnings were \$43.8 million, compared with \$28.5 million in 2005.

GAAP reported net earnings for the first nine months of 2006 totaled \$86.5 million, or \$1.24 per diluted share, compared with \$60.5 million, or \$0.92 per diluted share, in 2005. GAAP earnings per diluted share of \$0.62, up from \$0.41 per diluted share in 2005.

First Choice Power and the Twin Oaks acquisition were strong contributors to consolidated earnings. Reduced natural gas consumption in PNM's gas operations, coupled with electric rate reductions in Texas and New Mexico by both PNM and TNMP, negatively impacted earnings. Poor performance at Palo Verde earlier in the year largely offset contributions of strong wholesale marketing activities.

**Pinnacle West Capital Corporation (PNW)** the holding company for **Arizona Public Service Company (APS)** reported consolidated net income for the quarter ended September 30, 2006, of \$184.2 million, or \$1.84 per diluted share of common stock. This result reflects a decline from on-going earnings of \$186.4 million, or \$1.89 per diluted share, for the same period in 2005.

APS reported net income for the third quarter of 2006 of \$168.6 million, compared with on-going earnings of \$148.1 million for the same period a year ago. APS reported net income of \$61.1 million for the third quarter

of 2005.

The quarter-to-quarter comparison was negatively impacted by higher fuel costs; lower results from the Company's wholesale power marketing and real estate operations; and milder weather. These items were substantially offset by higher fuel cost deferrals and increased retail sales at Arizona Public Service (APS) due to customer growth of 4.4 percent.

**UniSource Energy Corp (UNS)** the holding company for **Tucson Electric Power Company (TEP)** reported earnings for the third quarter of 2006 of \$28 million, or \$0.80 per basic share of common stock. During the same period last year, the company reported earnings of \$18 million, or \$0.53 per basic share.

The strong performance of coal-fired generating plants serving TEP, UniSource Energy's largest subsidiary, and the addition of the Luna Energy Facility (Luna) to TEP's generating fleet contributed to the year-over-year increase in third-quarter earnings.

TEP's earnings for the third quarter of 2006 were \$30 million, or \$0.84 per basic UniSource Energy share, compared with \$20 million, or \$0.59 per basic share, during the same period in 2005. Other factors affecting TEP's third quarter results: 1) Retail customer growth; 2) A net unrealized gain of \$1 million on forward sales and purchases of energy; and 3) A \$12 million increase in operating and maintenance expenses.

**Xcel Energy, Inc. (XEL)** the parent company of **Southwestern Public Service (SPS)** reported income from continuing operations of \$224 million, or 53 cents per share on a diluted basis, for the third quarter of 2006, compared with \$198 million, or 47 cents per share, in the third quarter of 2005. Net income for the quarter, which includes the impact of discontinued operations, was \$224 million, or 53 cents per share, in 2006, compared with \$196 million, or 47 cents per share, in 2005.

Increased earnings for the third quarter of 2006 were primarily due to stronger base electric and natural gas utility margins. The stronger utility margins reflect weather-adjusted retail electric sales growth, electric and natural gas rate increases in various jurisdictions, as well as revenue associated with investments in the Metropolitan Emissions Reduction Project.

## General Update

### NMUSA to present at EEI CEO Conference

The Alliance of Utility Shareholder Associations (AUSA), of which the New Mexico Utility Shareholders Alliance (NMUSA) is a member, has been asked to give a presentation to the utility company CEO members of EEI at the January conference in Scottsdale, AZ. Annette Hinkel, President of the Minnesota Utility Investors (MUI) and Carla J. Sonntag, Executive Director of the NMUSA will discuss the value of utility shareholder groups.

The goal of the presentation is to help facilitate the formation of other utility shareholder groups nationwide.

**Four Corners Air Quality Task Force** continues to work on Mitigation Options to address the air concerns in the Four Corners area. Version 4 was posted in early November and comments are being sought. You can read the report on the website at [www.nmenv.state.nm.us/aqb/4C/DraftTaskForceReport.html](http://www.nmenv.state.nm.us/aqb/4C/DraftTaskForceReport.html).

Conference calls for the Power Plant work group are usually held monthly on the second Wednesday at 4:00 pm. General meetings of all work groups are held on a quarterly basis. The next scheduled meeting is February 7, 2007 in Durango, CO.

**Xcel Energy** - Richard (Dick) J. Kolkmann, Managing Director, Investor Relations will retire at the end of December 2007. Dick has been a friend and supporter of many utility shareholder associations nationwide and will be missed. We wish him the very best in his new endeavors. Paul Johnson will replace Dick after his retirement.

**Board Development Seminar** - NMUSA hosted a half day seminar with Jean Block, published author of *The ABCs of Building Better Boards* and *Fast Fundraising Facts for Fame & Fortune* on November 29, 2006.

The NMUSA Board of Directors attended as well as directors and officers from nine other nonprofit groups.

**Membership Drive** - Our annual membership drive will be held again in January 2007. In addition to nice gifts for our dues paying members, we will be running a contest for those of you recruiting new members.

Recruit three new dues-paying members and receive an NMUSA monogrammed insulated bag large enough to hold six canned beverages.

Remember our motto while you recruit to help your organization grow: *"Together, we have the power!"*

## Join the Alliance NOW!

If you aren't a member or haven't paid dues for 2006, 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](http://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:** (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"/> 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**

E-mail: [nmusa@rt66.com](mailto:nmusa@rt66.com)

Telephone: (505) 836-4223

## From the Executive Director . . .

We're proud of the 2006-2007 Board of Directors elected on September 13, 2006. The diversity and experience of these dedicated individuals will be a key component in our continued success as they set the policy and direction for 2007. If you are interested in serving your NMUSA, please contact me at (505) 836-4223.

NMUSA met with the Alliance of Utility Shareholder Associations (AUSA) in Chicago, IL on October 26, 2006. These meetings are an excellent opportunity to learn from the successes of other utility shareholder executives and share what's happening in New Mexico. We also attended an Edison Electric Institute (EEI) meeting with utility company representatives.

With the legislative session less than two months away, we are reviewing initiatives and considering our position on them. We'll keep you informed through our new e-mail system as bills progress and let you know how you can help.

The Public Regulation Commission (PRC) has kept us busy. We've provided comment in proposed rule makings and attended hearings

on many cases. PNM's gas rate case hearing will begin December 13, 2006 and we expect PNM to have an electric rate case early in 2007.

Membership is at an all time high, but we're never satisfied! We have over 2600 members and it's not enough. With thousands of utility shareholders in New Mexico, we have plenty of room for growth. So we'll conduct our annual Membership Drive in early 2007 and give you two opportunities to get involved. You can read more about that inside on page 7.

*I hope your holidays are filled with joy and good memories and that we see you soon.*

*My best,*

*Carla*



Carla J. Sonntag

Presorted STD  
US Postage  
**PAID**  
Permit 1893  
Albuq, NM

NM Utility Shareholders Alliance  
1003 Tomas Ct. SW  
Albuquerque, NM 87121