

# The Daily Times

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**Section:** Local

## **Economic development group agrees to triple support for airline**

*Cornelia de Bruin The Daily Times*

FARMINGTON — San Juan Economic Development Service, or SJEDS, decided Thursday to put its advocacy — and \$5,000 — toward an airline partnership agreement, along with assisting PNM in its effort to recoup more money.

Airline service

Organization President Tommy Roberts met with Farmington Interim City Manager Rob Mayes to discuss the city's plans to restore air service to Albuquerque. SJEDS earlier had received an invoice from New Mexico Air Partnership, a Roswell-based organization that hopes to attract a single-airline company to provide intra-state air service to Albuquerque.

"Mike Miller indicated (then) that the city council wasn't really involved, and said he used money from a discretionary fund to pay the city's \$5,000 to New Mexico Air Partnership," Roberts said. "When Miller was let go, I found out that Farmington is negotiating with Vision Airlines (for air service) and is involved with the partnership."

Mayes indicated that the city is working in many different areas as it tries to restore the air link to Albuquerque, he added. Mesa Airlines left the region without a flight to Albuquerque when it cut the route in January.

"We would rather provide services than cash, but we think we should make this payment," Roberts said, regarding the \$5,000 invoice from New Mexico Air Partnership. "The partnership is negotiating with Island Airlines."

Island Airlines is based in Hawaii.

Roberts expected the payment to be a "one-time" expense. SJEDS members voted unanimously to approve it.

Support for

New Mexico utility

The business group also voted unanimously to support electric utility PNM's efforts to raise its rates in New Mexico and its efforts to obtain approval from the Public Regulation Commission for a fuel clause. The fuel clause would allow the utility to recoup some of its costs of providing electricity to customers in New Mexico.

PNM owns and operates the coal-fired San Juan Generating Station in Waterflow.

The utility has submitted documentation to the regulation commission explaining that because its customer base has increased dramatically, it no longer is able to defray its expenses by selling surplus electricity. Its lack of a fuel clause has resulted in one bond rating company's reducing the utility's bond rating. It is now rated by Standard and Poor's at "negative," downgraded from "stable."

Moody's Investors Service indicates it is continuing to review PNM for a possible downgrade, while Fitch Ratings downgraded the utility's long-term debt two notches to its lowest investment grade credit rating.

PNM has asked for \$76.9 million in rate hikes, a 10.75 percent return on investments and for the fuel clause.

"After the denial of the fuel clause (by the Regulation Commission) PNM wanted to get the message out that the fuel clause is important for its financial standing, and asked for a letter of support to the PRC," Roberts said. "I recommend that we support it because of the tangible potential adverse consequences to the utility."

Added John Faverino, owner of Highway Grill in Aztec, "If we lose PNM, we lose a viable supporter of our community."

Faverino represents the city of Aztec on SJEDS.

"I think that's worth something," he said.

The group agreed, voting unanimously to draft a letter on behalf of PNM.

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BLM meeting

SJEDS members agreed they should also support Sam Blue, owner of Dillon Industrial Park in Aztec, in his efforts to acquire land for the park from the Bureau of Land Management. Blue explained that privately owned land is but a small percent of San Juan County.

"Not that much land is available," he said.

The group agreed to "have a face-to-face" with BLM officials on Blue's behalf.

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