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SENATE BILL 57

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Clinton D. Harden

FOR THE ECONOMIC AND RURAL DEVELOPMENT COMMITTEE

AN ACT

RELATING TO ENERGY; ENACTING A NEW SECTION OF THE PUBLIC UTILITY ACT TO PROVIDE FOR ELECTRIC UTILITIES TO RECOVER ALL REASONABLE NEW TRANSMISSION INFRASTRUCTURE IMPROVEMENT COSTS AND CHANGES IN CERTAIN WHOLESALE TRANSMISSION CHARGES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Public Utility Act is enacted to read:

"[NEW MATERIAL] RECOVERY OF CERTAIN TRANSMISSION COSTS.--

A. The commission shall adopt rules that provide for an electric utility to recover, on an annual basis, through a transmission cost adjustment clause, its reasonable and necessary transmission infrastructure improvement costs and changes in wholesale transmission charges to the electric utility under a regional transmission tariff approved by a

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1 federal regulatory authority to the extent that the costs or
2 charges have been incurred since the end of the test year in
3 the electric utility's most recent base-rate case. The
4 commission may allow the electric utility to recover only the
5 costs or charges allocable to its retail customers in the state
6 and shall not allow the electric utility to recover more
7 revenue through the transmission cost adjustment clause than
8 authorized.

9 B. An electric utility's retail customers in the
10 state shall be held harmless in a base-rate case or a
11 transmission cost recovery case when the electric utility had
12 been designated to provide new transmission facilities under
13 the guidelines of the regional transmission organization of
14 which it is a member but declined the opportunity to construct
15 or own, or both, the new transmission facilities, and the
16 declined opportunity results in higher costs to the electric
17 utility's retail customers in the state."

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