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SENATE BILL 710

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO ELECTRIC UTILITIES AND SERVICE; IMPOSING A
TEMPORARY SURCHARGE ON ELECTRIC METERS TO FUND THE EXTENSION
AND ENHANCEMENT OF ELECTRIC SERVICE IN RURAL AREAS; CREATING A
FUND; ENACTING NEW SECTIONS OF THE NMSA 1978; MAKING AN
APPROPRIATION.

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

Section 1. SHORT TITLE. -- This act may be cited as the
"Electric Service Extension Act".

Section 2. FINDINGS AND PURPOSE. --

A. The legislature finds that:

(1) electric service is a necessity that is
not fully available throughout the state;

(2) the extension of electric service into
sparsely populated rural areas is prohibitively expensive and

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1 the contribution of an intended consumer required before an
2 extension may be made often lies beyond the reasonable
3 capability of most consumers to pay;

4 (3) residents of the state who remain either
5 unserved or underserved with adequate electric service remain
6 unable to fund the line extension and associated costs of
7 acquiring electric service;

8 (4) electric service is a necessity and a
9 vital component of modern life;

10 (5) in rural areas, electric service is not
11 as available, reliable and adequate as it is in the more urban
12 areas of the state; and

13 (6) all residents of this state should have
14 access to basic electric service, particularly children, the
15 elderly or the infirm who need and would benefit from electric
16 service for their safety, health and well-being.

17 B. The purpose of the Electric Service Extension
18 Act is to provide short-term financial support for use in
19 extending electric service fully and completely throughout the
20 state through low-interest loans made available with funds
21 derived from a temporary and limited surcharge on each
22 electric meter in the state.

23 Section 3. ELECTRIC SERVICE EXTENSION CHARGE--
24 RECOVERY. --An "electric service extension charge" in the
25 amount of ten cents (\$.10) per meter is created and imposed on

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1 each retail electric consumer in the state beginning on July
2 1, 1999 and ending on July 1, 2004. The electric service
3 extension charge shall be separately identified on each retail
4 electric bill rendered to customers.

5 Section 4. ELECTRIC SERVICE EXTENSION CHARGE FUND
6 CREATED--PUBLIC REGULATION COMMISSION--AUTHORITY FOR
7 ADMINISTRATION OF FUND TO PROVIDE LOW-INTEREST LOANS TO
8 COUNTIES TO EXTEND ELECTRIC SERVICE FOR UNSERVED OR
9 UNDERSERVED RESIDENTS-- RULES. --

10 A. The "electric service extension charge fund" is
11 created and consists of money collected as a charge of ten
12 cents (\$.10) per month per meter on each electric meter of a
13 retail electric customer of an electric public utility in the
14 state. The electric service extension charge shall be
15 collected monthly by the electric public utility and shall be
16 paid quarterly to the public regulation commission.

17 B. Money appropriated to the electric service
18 extension charge fund or accruing to it through the electric
19 service extension charge or through grants, gifts, repayments
20 or bequests shall not be transferred to any other fund or be
21 encumbered or disbursed in any manner except as provided in
22 this section. Interest or other earnings from investment,
23 deposit of the fund, or loans made from the fund shall be
24 credited to the fund. Any unexpended or unencumbered balance
25 remaining in the fund at the end of any fiscal year shall not

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1 be transferred to the general fund, but shall remain in the
2 electric service extension charge fund pursuant to the
3 Electric Service Extension Act.

4 C. Money in the electric service extension charge
5 fund is appropriated to the public regulation commission
6 solely for the purpose of making low-interest loans to
7 counties to permit contributions to the infrastructure
8 construction, in conjunction with an electric public utility,
9 of electric facilities in residential areas of the county
10 without electric service or inadequate electric service.
11 Disbursements from the fund shall be made upon certification
12 by the chairperson of the public regulation commission that
13 the disbursement is for a loan authorized by the Electric
14 Service Extension Act.

15 D. A county in conjunction with an electric public
16 utility subject to the jurisdiction of the public regulation
17 commission may apply for a loan from the electric service
18 extension charge fund.

19 E. The public regulation commission shall
20 promulgate rules to implement the electric service extension
21 charge fund in accordance with the Electric Service Extension
22 Act to ensure that:

23 (1) the criteria by which loans are approved
24 includes emphasis on the actual number of individuals
25 benefitted by the extension sought by the county's application

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1 in relation to other applications pending at the same time;

2 (2) the criteria permits loans primarily to
3 benefit residential individual customers or intended
4 residential individual customers and only coincidentally and
5 unavoidably benefit other consumers and the quality or extent
6 of their electric service;

7 (3) the terms of low-interest loans to be
8 made are established and equitably applied, including the
9 amount of the loan, interest and repayment terms and the
10 relative contributions, if any, of the consumers actually
11 benefitted, the public utility involved and any actual
12 contribution from the county in the repayment of the low-
13 interest loan; provided that the commission may permit a range
14 of terms and conditions in its rules to permit flexibility in
15 considering the circumstances of each loan and the county,
16 consumers and utility involved in the implementation of this
17 act; provided further that in no event shall the term of
18 repayment of any loan made pursuant to the Electric Service
19 Extension Act extend after July 1, 2009; and

20 (4) the implementation and operation of the
21 electric service extension charge fund shall cease on July 1,
22 2009.

23 Section 5. TEMPORARY PROVISION. -- On July 1, 2009, any
24 money remaining in the electric service extension charge fund
25 shall be transferred to the general fund.

1 FORTY-FOURTH LEGISLATURE

SB 710/a

2 FIRST SESSION, 1999

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6
7 March 3, 1999

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10 Mr. President:

11
12 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to
13 whom has been referred

14
15 SENATE BILL 710

16
17 has had it under consideration and reports same with
18 recommendation that it DO PASS, amended as follows:

- 19
20
- 21 1. On page 2, line 25, before "per" insert "per month".
 - 22 2. On page 3, line 1, strike "consumer" and insert in lieu
23 thereof "customer of an electric public utility".
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- 25

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

SCORC/SB 710

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3. On page 3, line 5, after "FUND" insert "
ESTABLISHMENT. -- "

4. On page 3, strike lines 6 through 16 in their entirety
and insert in lieu thereof:

"A. The public regulation commission shall establish
an "electric service extension charge fund" to consist of money
collected from electric service extension charges. The electric
service extension charge shall be collected monthly by the
electric public utility and shall be paid quarterly to the
public regulation commission. "

5. On page 5, line 3, after "benefit" insert "low-income"
and after "or" insert "low-income".

6. On page 5, between lines 22 and 23 insert the
following:

"(5) a county shall not pledge its full faith and

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credit to guarantee repayment of the loans offered by the public
regulation commission.

Section 5. BOARD. --The public regulation commission shall
establish a board composed of representatives from electric
public utilities to collect, administer and disburse money from
the fund under the supervision and control of the public
regulation commission pursuant to the established criteria and
rules promulgated by the public regulation commission. "

7. Renumber the succeeding sections accordingly.,

and thence referred to the FINANCE COMMI TTEE.

Respectfully submit ted,

Roman M. Maes, Chai rman

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FORTY- FOURTH LEGISLATURE
FIRST SESSION, 1999

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Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 4 For 2 Against

Yes: 4

No: Macias, Rawson

Excused: Aragon, Fidel, Kysar, McKibben

Absent: None

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8 FORTY- FOURTH LEGI SLATURE
9 FIRST SESSI ON, 1999

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11
12 March 8, 1999

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14 Mr. Presi dent:

15
16 Your FI NANCE COMMI TTEE, to whom has been referred

17
18 SENATE BILL 710, as amended

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21 has had it under consideration and reports same with
22 recommendation that it DO PASS.

23
24 Respectfully submi tted,

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FIRST SESSION, 1999

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Ben D. Altamirano, Chairman

Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 4 For 3 Against

Yes: 4

No: Eisenstadt, Griego, Wilson

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Excused: Campos, Carraro, Ingle, Lyons, McKibben, Tsosie

Absent: None

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