

FORTY- FIFTH LEGISLATURE
FIRST SESSION

February 14, 2001

SENATE FLOOR AMENDMENT number 1 to SENATE BILL 266, as amended

Amendment sponsored by Senator Michael S. Sanchez

1. Strike Senate Committee of the Whole Amendments 4, 6 and 7.

2. On page 11, between lines 1 and 2, insert the following new paragraph:

"Until corporate separation is implemented, a public utility may invest in, construct, acquire or operate a generating plant that is not intended to provide retail electric service to New Mexico customers, the cost of which is not included in retail rates and which business activities shall not be subject to regulation by the commission pursuant to the Public Utility Act, except as provided by Section 62-9-3 NMSA 1978. Nothing herein shall diminish a public utility's obligation, by the prudent acquisition of resources, to serve its retail load at a cost of service no higher than the average book cost plus fuel, other operating and maintenance costs and the utility's authorized rate of return on investment of the utility's unregulated generation constructed or acquired after January 1, 2001; provided that this provision does not apply to any public utility that does not acquire unregulated generation after January 1, 2001. The commission shall assure that the regulated business is appropriately credited for any off-system sales made from regulated assets. "

3. On page 26, between lines 18 and 19, insert the following subsection to read:

"C. Upon application by a public utility, the commission shall authorize the public utility to begin amortizing over five years the unrecovered costs of decommissioning mines serving coal-fired generating plants, with amortization beginning on January 1,

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2002. The commission's order authorizing the amortization shall establish a separate nonbypassable wires charge for the decommissioning cost in the public utility's tariffs, which does not have to be separately shown on customer bills, and which shall not change the total rates for electric service paid by any customer in effect at the time of the order. Nothing in this subsection shall prevent the commission from determining stranded costs in accordance with the Electric Utility Industry Restructuring Act of 1999 or the appropriate manner or duration of recovery of the reasonable unamortized portion of these decommissioning costs in any rate proceeding subsequent to the application. "

4. Reletter the succeeding subsections accordingly.

Michael S. Sanchez

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____