

# VILLAGE OF CORRALES

## ORDINANCE NO. 06-07

AN ORDINANCE REGARDING A CERTAIN ELECTRICAL DISTRIBUTION LINE TO BE CONSTRUCTED ALONG A PORTION OF CORRALES ROAD WITHIN THE VILLAGE OF CORRALES; ESTABLISHING THAT THE SAID ELECTRICAL LINE SHALL BE LOCATED UNDERGROUND; AUTHORIZING PUBLIC SERVICE COMPANY OF NEW MEXICO TO RECOVER THE EXCESS COSTS OF PLACING THE LINE UNDERGROUND FROM ITS ELECTRICAL CUSTOMERS IN THE VILLAGE DURING A ONE-YEAR RECOVERY PERIOD, IN ACCORDANCE WITH ITS FIRST REVISED RATE NO. 22, AS FILED WITH AND APPROVED BY THE NEW MEXICO PUBLIC REGULATION COMMISSION.

WHEREAS, Public Service Company of New Mexico (“PNM”) has notified the Village of Corrales (the “Village”) that PNM intends to construct a new electrical distribution line between the Iris 12 and Rio Hondo 13 Feeders (the “Project”) which will be located within the Village; and

WHEREAS, the Project includes placement of approximately 2,375 feet of electrical line adjacent to Corrales Road within the Village; and

WHEREAS, the Village has determined as a matter of public policy that utilities within new subdivisions in the Village should be placed underground to the extent possible, as reflected in Section 18-81(m) of the Code of Ordinances of the Village of Corrales; and

WHEREAS, the Project does not fall within the provisions of Section 18-81(m) of the Code, because it is not within a new subdivision, and there is therefore no governing law requiring that the Project be placed underground; and

WHEREAS, the Project is adjacent to certain lands, known as the Koontz Property, on which the Village, in cooperation with others, has recently acquired a conservation easement which is intended to preserve the rural and agricultural nature of those lands and to protect their viewscape; and

WHEREAS, the Village Council, the governing body of the Village (the “Governing Body”) finds that the placement of a new overhead electrical line along Corrales Road adjacent to the Koontz Property would be detrimental to the goals of the conservation easement on the said Property; and

WHEREAS, PNM has agreed to place that portion of the Project along Corrales Road underground, subject to reimbursement to PNM of the Excess Costs of placing that portion of the Project underground in accordance with PNM’s First Revised Rate No. 22 (“Rate No. 22”), as approved by the New Mexico Public Regulation Commission (“NMPRC”) effective February 10, 2004; and

WHEREAS, on January 25, 2005, the Governing Body adopted its Resolution No. 5, being Enactment 05-005, requiring that the Project be placed underground and providing that the Excess Costs for placing the Project underground, as defined in Rate No. 22, should be recovered by PNM from its ratepayers in the Village; and

WHEREAS, PNM originally advised the Village that the estimated Excess Costs of placing the Project underground were \$29,998, and that estimate was relied upon by the Governing Body when it adopted the said Resolution No. 5; and

WHEREAS, PNM has advised the Village that the estimated Excess Costs of placing the Project underground are now \$46,340, which is 54 percent greater than the original estimated Excess Costs; and

WHEREAS, PNM has further advised the Village that recovery of the Excess Costs from PNM's electric ratepayers within the Village, during a one-year recovery period, based on the revised estimated Excess Costs of \$46,340, will require a rate rider or surcharge of approximately one dollar and seven cents (\$1.07) per month per customer meter for residential customers and approximately forty-one dollars and twenty-six cents (\$41.26) per month for general power rate customers; and

WHEREAS, the actual rate rider costs imposed on electric ratepayers in the Village may be greater or less than the estimated rate rider costs stated in the preceding paragraph, depending whether the actual Excess Costs of placing the Project underground are greater or less than the estimated Excess Costs; and

WHEREAS, taking into account the foregoing considerations, the Governing Body determines that it is in the best interest of the Village and its residents that the Project be placed underground for the protection of the viewscape and to enhance the aesthetics and general welfare of the community, and that the Excess Costs thereof should be borne generally by the electric ratepayers of the Village.

**NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the Village of Corrales, New Mexico, that:**

1. Public Service Company of New Mexico ("PNM") is hereby authorized, requested and instructed to place that portion of the Iris 12 to Rio Hondo 13 Feeder Tie (the "Project") located along Corrales Road, within the Village of Corrales, underground.
2. The Village of Corrales consents to PNM's recovery of the Excess Costs of placing that portion of the Project along Corrales Road underground, in accordance with PNM's First Amended Rate No. 22, as filed with and approved by the NMPRC.
3. PNM is hereby authorized and requested to seek approval from the NMPRC for recovery of the Excess Costs of placing that portion of the Project along Corrales Road underground through the imposition of additional charges on PNM's electrical customers within the Village of Corrales through a rate rider, as set forth above and in accordance with Rate No. 22, during a recovery period of one year.
4. Upon completion of the Project, pursuant to Rate No. 22, PNM shall provide an informational filing to the NMPRC with a copy thereof to the Village of Corrales, which may

include a revised rate rider charge for the Project based upon the actual total of the Excess Costs of placing that portion of the Project along Corrales Road underground, including applicable carrying costs, less the amount previously collected under the rider; and PNM shall make and report such other cost reconciliations as are required by Rate No. 22.

SEVERABILITY CLAUSE: Should any section, paragraph, clause or provision of this Ordinance be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance. The Governing Body of the Village of Corrales hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, word or phrase thereof irrespective of any one or more sections, subsections, sentences, clauses, words or phrases being declared unconstitutional or otherwise invalid.

EFFECTIVE DATE AND PUBLICATION: This Ordinance shall become effective and be in full force and effect from and after its passage, publication and posting, according to law.

**PASSED, APPROVED AND ADOPTED** by the Governing Body of the Village of Corrales, New Mexico as Ordinance No. \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 2006.

APPROVED:

**FAILED**

\_\_\_\_\_  
The Honorable Philip Gasteyer  
Mayor, Village of Corrales

ATTEST:

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Juan J. Reyes  
Village Clerk