This rule was filed as NMPSC Rule 740.

TITLE 17  PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 12  WATER SERVICES
PART 740  CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY FOR WATER UTILITIES

17.12.740.1  ISSUING AGENCY: New Mexico Public Service Commission [New Mexico Public Regulation Commission].
[Recompiled 12/30/01]

17.12.740.2  SCOPE:
[Recompiled 12/30/01]

17.12.740.3  STATUTORY AUTHORITY:
[Recompiled 12/30/01]

17.12.740.4  DURATION:
[Recompiled 12/30/01]

17.12.740.5  EFFECTIVE DATE:
[Recompiled 12/30/01]

17.12.740.6  OBJECTIVE:
[Recompiled 12/30/01]

17.12.740.7  DEFINITIONS:
[Recompiled 12/30/01]

17.12.740.8  [TABLE OF CONTENTS:]
A. Certificates of Public Convenience and Necessity Required [17.12.740.9 NMAC]
B. Application [17.12.740.10 NMAC]
C. Conformance with Minimum Standards of Design, Construction, and Operation [17.12.740.11 NMAC]
D. Conformance with Provisional Customer Rules and Regulations [17.12.740.12 NMAC]
E. Minimum Data Requirements [17.12.740.13 NMAC]
F. Filing Fees [17.12.740.14 NMAC]
G. Assistance of Commission Staff [17.12.740.15 NMAC]
[Recompiled 12/30/01]

17.12.740.9  CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY REQUIRED: Every jurisdictional water utility shall obtain from the Public Service Commission [Public Regulation Commission] a certificate of public convenience and necessity prior to selling water to the public or when otherwise required. [Recompiled 12/30/01]

17.12.740.10  APPLICATION: Each applicant must file with the Commission an application for a certificate of public convenience and necessity as prescribed in NMPSC Rules 110.35 through 110.38 [17.1.2 NMAC]. (NMPSC Rules 110.35 through 110.38 were previously in effect as Fourth Revised General Order No. 1, Rule 2.) [Recompiled 12/30/01]

17.12.740.11  CONFORMANCE WITH MINIMUM STANDARDS OF DESIGN, CONSTRUCTION, AND OPERATION: Each applicant for a certificate of public convenience and necessity must meet certain minimum standards for design, construction, and operation as required by the Commission. If an applicant is unable to
conform to any specific design, construction, or operation standard, the company should apply for a variance from such standard.

17.12.740.12 CONFORMANCE WITH PROVISIONAL CUSTOMER RULES AND REGULATIONS: Each applicant for a certificate of public convenience and necessity shall have prescribed customer service rules and regulations substantially similar to the service rules and regulations required by the Commission. If an applicant is unable to conform to any recommended customer service rule or regulation, the company should apply for a variance from such rule or regulation.

17.12.740.13 MINIMUM DATA REQUIREMENTS: The following exhibits must be attached to and made a part of a water utility's application for a certificate of public convenience and necessity:

A. Evidence of Ownership.
   (1) Corporation - certificate of incorporation and by-laws;
   (2) Partnership - articles of co-partnership;
   (3) Subsidiary affiliation;
   (4) Company officials;
   (5) Business address;
   (6) Actual location of plant facilities.

B. Statement showing franchise rights of applicant to distribute water in the community in which service is proposed.

C. Evidence of economic feasibility.
   (1) Proposed Facilities:
      (a) Cost of proposed facilities;
      (b) Financing of proposed facilities; (Supply details of all present and proposed financing arrangements.)
   (2) Revenue requirements:
      (a) Source of funding for operation and maintenance;
      (b) Revenues;
      (c) Expenses;
      (d) Depreciation;
      (e) Taxes;
      (f) Return (net income).

D. Copies of maps of the system: The design of the system shall be approved by a registered professional engineer and approved by the Environmental Improvement Division of the New Mexico Health and Environment Department. Maps shall include location of wells, storage, tanks, fire hydrants, sizes of mains, total length of mains (in feet).

E. Easement and right-of-way policy.

F. Evidence of system adequacy (present and 3 years projected).
   (1) Source of water supply (wells, springs, water rights information, etc.);
   (2) Number of wells in service;
   (3) Pumping capacity of each pump in service;
   (4) Type of storage (pressure tank, etc.);
   (5) Storage tank capacity (gallons);
   (6) Type of water treatment (chlorine, etc.);
   (7) Annual supply of water to system (gallons);
   (8) Estimated system losses (gallons);
   (9) Number of customers by customer class.

G. Original cost listing of plant items. If plant has already been constructed and is in operation, the utility shall:
   (1) Provide a list of plant items and show the original cost of each plant item as prescribed in the NMPSC Annual Report;
Submit a completed NMPSC Annual Report with case filing if the plant has been in operation for at least twelve (12) months.

H. Copies of tariff schedules and operating rules and regulations.
   (1) Rate schedules for each customer class;
   (2) Copies of operating rules and regulations.

I. A rate study setting rates that would apply if the system were developed to 85% of its potential plant-in-service capacity based on NMPSC Rules 750.12 and 750.23 [Subsection A of 17.12.750.11 NMAC and Subsection C of 17.12.750.14 NMAC]. The study should include but not be limited to:
   (1) Estimated cost of service and supporting documents;
   (2) Type of services being provided, i.e., fire protection, irrigation, or other services that would be included in determining system capacity capabilities;
   (3) Estimated or actual water usage per month per customer per customer class;
   (4) Potential meter connections based on existing source of supply capacity, treatment facilities, NMPSC Rule 750.12, NMPSC Rule 750.23 [Subsection A of 17.12.750.11 NMAC, Subsection C of 17.12.750.14 NMAC] if fire protection is provided, and other provided services that would utilize these source of supply facilities (NMPSC Rules 750.12 and 750.23 were previously in effect as Commission General Order No. 42, Minimum Standards for Design Construction and Operation of Water Utilities, Sections 4 and 8.);
   (5) Potential meter connections based on existing transmission facilities (include all services provided that would utilize these transmission facilities); and
   (6) Potential meter connections based on existing distribution facilities, (include all services provided that would utilize these distribution facilities).

[Recompiled 12/30/01]

17.12.740.14 FILING FEES: A filing fee of $25.00 must accompany the application. In addition, there is a $1.00 filing fee for each tariff number (excluding Table of Contents).

[Recompiled 12/30/01]

17.12.740.15 ASSISTANCE OF COMMISSION STAFF: The Commission Staff will be available to meet with an applicant and/or anyone representing the applicant’s interests in the matter to answer any questions the applicant may have.

[Recompiled 12/30/01]

17.12.740.16 [HISTORY: NMPSC Case No. 2190, order dated June 16, 1988, adopting NMPSC Rule 740 effective June 30, 1988, unless otherwise noted. Formerly part of General Order 42, superseded for purposes of rule reorganization and codification.]

[Recompiled 12/30/01]

HISTORY OF 17.12.740 NMAC:
Pre-NMAC History: The material in this part was derived from that previously filed with the Commission of Public Records-State Records Center and Archives.
NMPSC Rule 740 Certificates of Public Convenience And Necessity For Water Utilities, 6/30/88.

History of Repealed Material: [RESERVED]