

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 97-07

**A RESOLUTION ESTABLISHING A METHODOLOGY FOR
COMPUTING ELECTRIC AND GAS OPERATING PROFITS
FOR TRANSFER TO THE COUNTY GENERAL FUND**

WHEREAS, the Atomic Energy Commission transferred the utilities to Los Alamos County for the purpose of aiding self-sufficiency; and

WHEREAS, this resolution supersedes Resolution No. 93-05; and

WHEREAS, the Los Alamos Board of Public Utilities and the Los Alamos County Council wish to establish a methodology for determining operating profits which are transferred to the General Fund; and

NOW, THEREFORE, BE IT RESOLVED by the Incorporated County of Los Alamos to:

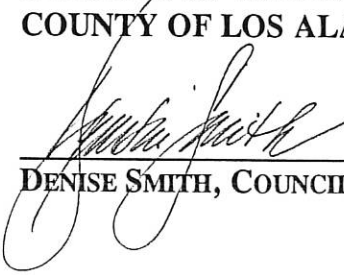
1. Establish goals to
 - a) Achieve annual operating profits for transfer to the General Fund of 5% of total electric and gas utility retail revenues excluding commodity sales to the schools and County.
 - b) Adopt a delayed appropriation approach for the General Fund transfer so that:

Fiscal year 1 - budget and rates set and profit is earned,
Fiscal year 2 - audit completion, profit transfer from FY1 gas and electric retail revenue excluding commodity sales to the schools and County to the General Fund (to include interest from July 1, FY2),
Fiscal year 3 - profit available for appropriation with interest.
2. The Board of Public Utilities shall propose and the Council shall approve a budget and rates which provide for all of the following:
 - First: funds required for current operations and funds for adequate working capital.
 - Second: funds required to redeem and pay interest on any bond issue.
 - Third: an adequate reserve to finance replacements required by normal depreciation of the utility plant or equipment as provided in the Schedule of Funds.

- Fourth: amounts set forth in the budget as payments to be made to the County in lieu of franchise fees and taxes that normally would be assessed against privately owned gas and electric utilities.
- Fifth: adequate provision for plant additions and improvements foreseen as necessary to meet future requirements.
- Sixth: adequate provision for a separate gas and electric rate reserve.
- Seventh: 5% of total electric and gas utility retail revenues excluding commodity sales to the schools and County.
3. All funds received in excess of those distributed in paragraph 2 above will be transferred to the general fund. Funds budgeted for specific utilities replacements and additions in a given fiscal year but not encumbered in that fiscal year shall be carried forward to the following fiscal year.
4. Council and Board will actively pursue modification to the existing agreement with the DOE to make the Electric Resource Power Pool arrangement equitable for the ratepayers, and produce an operating profit for the County for the risk associated with the operation of the Electric Resource Power Pool.

PASSED, ADOPTED, SIGNED AND APPROVED this 28th day of July, 1997.

COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS, NEW MEXICO



DENISE SMITH, COUNCIL CHAIR



ATTEST: (SEAL)



NITA K. TAYLOR, COUNTY CLERK