

ARKANSAS SENATE
83rd General Assembly - Regular Session, 2001
Amendment Form

Subtitle of House Bill No. 1811

"TO AMEND THE JOINT MUNICIPAL ELECTRIC POWER GENERATION ACT."

Amendment No. 1 to House Bill No. 1811.

Amend House Bill No. 1811 as originally introduced:

Immediately following Section 3 of the bill add an additional section to read as follows:

"SECTION 4. Arkansas Code 14-207-104 is amended to read as follows:
14-207-104. Procedures and valuation formula.

(a) In the event that an agreement pursuant to § 14-207-103(a) or (b) cannot be reached within such six-month period, the municipality shall pay to the electric public utility an amount equal to the following:

(1) The present-day reproduction cost, new, of the properties and facilities being acquired, less depreciation computed on a straight-line basis; plus

(2) The book value, net of depreciation, of all properties and facilities not being acquired or portions thereof, which were constructed or purchased, in good faith, by the electric public utility in order to serve customers in the annexed area, less the book value, net of depreciation, of the properties and facilities, to the extent that at the time that title to the properties or facilities being taken pursuant to this act is transferred, the properties and facilities not being acquired:

(A) Are required for serving customers of the electric public utility not in the annexed area; and

(B) May be reasonably expected to serve customers not in the annexed area within eight years following the acquisition; plus

~~(2)(3)~~ An amount equal to the cost of constructing any necessary facilities to reintegrate the system of the electric public utility outside the annexed area after detaching the portion to be sold; plus

~~(3)(4)~~ In the event that the electric public utility system does not provide wholesale power service to the municipality acquiring its properties, facilities, and customers under this subchapter, then, in addition to the amounts required by subdivisions (a)(1) and ~~(2)(3)~~ of this section, the municipality shall pay the electric public utility either:

(A) Three hundred fifty-five percent (355%) of gross revenues less gross receipts taxes received by the electric public utility for the twelve-month period preceding notification from customers in the annexed area; or

(B) The amount required by subdivision ~~(a)(3)(A)~~(a)(4)(A) of this section payable over five (5) years with interest at the then-prevailing AAA insured tax-exempt municipal bond interest rate.

(b) In the event that the electric public utility system ceases to provide wholesale power service to the municipality prior to five (5) years after the acquisition of the properties, facilities, and customers of the electric power utility under this subchapter, then the municipality will pay, pro rata for the remainder of such five-year period, in accordance with subdivision ~~(a)(3)(A)~~(a)(4)(A) of this section."

AND

Appropriately renumber the subsequent section of the bill

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Hoofman

DF/CDS

CDS322

Secretary