

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY’S ANNUAL)
2023 RENEWABLE ENERGY PORTFOLIO)
PROCUREMENT PLAN AND)
REQUESTED APPROVALS THEREIN;)
PROPOSED 2023 RENEWABLE)
PORTFOLIO STANDARD COST AND)
RECONCILIATION RIDERS;)
APPLICATION FOR AN RPS INCENTIVE;)
AND OTHER ASSOCIATED RELIEF,)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY, APPLICANT)**

NOTICE TO SPS CUSTOMERS

NOTICE IS HEREBY GIVEN that:

1. Southwestern Public Service Company (“SPS”) filed its Application with the New Mexico Public Regulation Commission (“Commission” or “NMPRC”) on July 1, 2022, requesting the Commission enter a final order that:

(a) acknowledges SPS's concurrent filing of its 2021 Annual Renewable Energy Portfolio Report ("2020 RPS Report") required under 17.9.572.19 NMAC;

(b) approves SPS's 2023 Annual Renewable Energy Act Plan ("2023 RPS Plan")¹ for the 2023 Plan Year ("Plan Year") and 2024 Next Plan Year² ("Next Plan Year") under Rule 572.14, the REA, and prior Commission Orders related to SPS's Plan Year and Next Plan Year RPS requirements;

¹ The 2023 RPS Plan is provided in the Direct Testimony of SPS Witness Mario A. Contreras as Attachment MAC-3.

² In accordance with 17.9.572.14 NMAC, SPS is submitting its 2024 Next Plan Year for informational purposes only.

(c) approves SPS's proposed rate for its 2023 RPS Rider,³ which includes, without limitation, recovery of its RPS-related costs over a 12-month period beginning January 1, 2023;

(d) approves SPS's proposed rate for its 2023 RPS Reconciliation Rider to appropriately credit customers in 2023 for the true-up of amounts associated with periods predating the effective date of the Energy Transition Act, Senate Bill 489 ("ETA"), when the large customer cap was in effect;

(e) approves SPS's 2023 Solar*Connect Community Rate Rider and Solar*Connect credit, consistent with the final order in Case No. 18-00308-UT;

(f) approves SPS's proposed financial incentive and the accompanying Renewable Performance Rider, and grants SPS a variance from the cost-benefit requirement in Rule 572.22.D; and

(g) grants all other approvals, authorizations, and relief that may be required for SPS to implement its 2023 RPS Plan under the REA, Rule 572, and the New Mexico Public Utility Act ("PUA")⁴.

2. SPS proposes to collect an estimated \$8,168,306 in RPS procurement costs over a 12-month period, beginning January 1, 2023 through its RPS Rider approved in Case No. 12-00350-UT. SPS will apply the 2023 RPS Rider using a kilowatt-hour ("kWh") based rate calculated at \$0.000901 per kWh that will apply to all of SPS's New Mexico retail rate classes, other than energy purchased under its Solar*Connect rider.

3. SPS proposes to credit an estimated \$343,025 for true-up of amounts associated with periods predating the effective date of the ETA, when the large customer cap was in effect, over a 12-month period, beginning January 1, 2023, through its RPS Reconciliation Rider approved in Case No. 19-00134-UT. The 2023 rate for the RPS Reconciliation Rider is (\$0.000088) per kWh. The rate is based upon the net true-up of amounts associated with prior

³ See *In the Matter of Southwestern Public Service Company's Application for Revision of its Retail Rates under Advice Notice No. 245*, Case No. 12-00350-UT, Final Order Partially Adopting Recommended Decision (Mar. 26, 2014).

⁴ NMSA 1978, Ch. 62, Arts. 1 – 3, 4, 6, and 8-13; see *Tri-State Generation & Transmission Ass'n v. N.M. Pub. Regulation Comm'n*, 2015-NMSC-013, ¶ 8 n. 1, 347 P.3d 274.

periods divided by projected kWh sales to customers other than Large Customers, from January 1, 2023 through December 31, 2023.

4. SPS requests that, pursuant to 1978 NMSA, §62-16-4(D), that the Commission grant SPS a financial incentive for SPS to achieve the 2025 forty percent (40%) RPS requirement early, during years 2023 and 2024. As part of this request, SPS seeks to collect an estimated \$1,812,636 through a proposed RPS Performance Rider. The 2023 rate for the proposed RPS Performance Rider is \$0.000200 per kWh.

5. The following tables compare present bills and anticipated bills, including the proposed 2023 RPS Rider, 2023 RPS Reconciliation Rider, and 2023 Renewable Performance Rider under each affected customer class and for the indicated levels of consumption (note: there was no Renewable Performance Rider in 2022):

Residential Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
0 kWh	\$10.22	\$10.22	\$0.00	0.00%
250 kWh	\$41.38	\$41.01	\$(0.37)	-0.89%
500 kWh	\$72.54	\$71.80	\$(0.74)	-1.02%
750 kWh	\$103.70	\$102.59	\$(1.11)	-1.07%
1,000 kWh	\$134.86	\$133.38	\$(1.48)	-1.10%
2,000 kWh	\$259.51	\$256.55	\$(2.96)	-1.14%

Residential Heating Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
0 kWh	\$10.22	\$10.22	\$0.00	0.00%
250 kWh	\$37.72	\$37.35	\$(0.37)	-0.98%
500 kWh	\$65.23	\$64.49	\$(0.74)	-1.13%
750 kWh	\$92.74	\$91.63	\$(1.11)	-1.20%
1,000 kWh	\$120.25	\$118.76	\$(1.49)	-1.24%
2,000 kWh	\$230.28	\$227.31	\$(2.97)	-1.29%

Small General Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
0 kWh	\$17.62	\$17.62	\$0.00	0.00%
250 kWh	\$43.22	\$42.85	\$(0.37)	-0.86%
500 kWh	\$68.82	\$68.08	\$(0.74)	-1.08%
750 kWh	\$94.42	\$93.31	\$(1.11)	-1.18%
1,000 kWh	\$120.02	\$118.54	\$(1.48)	-1.23%
2,000 kWh	\$222.43	\$219.47	\$(2.96)	-1.33%

Secondary General Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
1,500 kWh and 12 kW	\$347.67	\$345.45	\$(2.22)	-0.64%
7,500 kWh and 35 kW	\$1,080.02	\$1,068.90	\$(11.12)	-1.03%
15,000 kWh and 35 kW	\$1,410.48	\$1,388.23	\$(22.25)	-1.58%
30,000 kWh and 100 kW	\$3,393.94	\$3,349.45	\$(44.49)	-1.31%

Irrigation Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
1,500 kWh and 12 kW	\$206.54	\$204.32	\$(2.22)	-1.07%
7,500 kWh and 35 kW	\$858.72	\$847.60	\$(11.12)	-1.29%
15,000 kWh and 35 kW	\$1,593.72	\$1,571.48	\$(22.24)	-1.40%
30,000 kWh and 100 kW	\$3,245.10	\$3,200.61	\$(44.49)	-1.37%

Primary General Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
1,500 kWh and 12 kW	\$339.52	\$337.30	\$(2.22)	-0.65%
7,500 kWh and 35 kW	\$1,018.22	\$1,007.10	\$(11.12)	-1.09%
15,000 kWh and 35 kW	\$1,280.93	\$1,258.68	\$(22.25)	-1.74%
30,000 kWh and 100 kW	\$3,130.46	\$3,085.97	\$(44.49)	-1.42%

Large General Service Transmission (69 kV)

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
500,000 kWh and 800 kW	\$29,366.97	\$28,625.46	\$(741.51)	-2.52%
1,000,000 kWh and 1,500 kW	\$56,020.32	\$54,766.88	\$(1,253.44)	-2.24%
4,000,000 kWh and 6,100 kW	\$219,475.46	\$214,661.15	\$(4,814.31)	-2.19%
8,000,000 kWh and 12,200 kW	\$431,597.13	\$421,968.52	\$(9,628.61)	-2.23%

Large General Service Transmission (115+ kV)

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
500,000 kWh and 800 kW	\$29,024.46	\$ 28,282.96	\$(741.50)	-2.55%
1,000,000 kWh and 1,500 kW	\$56,761.94	\$ 55,508.50	\$(1,253.44)	-2.21%
4,000,000 kWh and 6,300 kW	\$219,594.84	\$ 214,780.54	\$(4,814.30)	-2.19%
8,000,000 kWh and 13,000 kW	\$437,272.74	\$ 427,644.13	\$(9,628.61)	-2.20%

Large Municipal and School Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
10,000 kWh and 30 kW	\$929.63	\$914.80	\$(14.83)	-1.60%
20,000 kWh and 45 kW	\$1,590.91	\$1,561.25	\$(29.66)	-1.86%
30,000 kWh and 75 kW	\$2,475.83	\$2,431.34	\$(44.49)	-1.80%

Small Municipal and School Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2022 RPS Rider and Reconciliation Rider	Bills Including Proposed 2023 RPS Rider, Reconciliation Rider, and Performance Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2023	2023	2023
500 kWh	\$62.86	\$62.12	\$(0.74)	-1.18%
1,000 kWh	\$108.41	\$106.93	\$(1.48)	-1.37%
2,000 kWh	\$199.53	\$196.56	\$(2.97)	-1.49%

6. SPS's proposed rate changes are for informational purposes only and the final approved rates may vary.

7. By Order issued in this case on August 25, 2022, the Hearing Examiner has established the following procedural schedule and requirements for this case:

- A. Any person desiring to become a party to this case must file a motion for leave to intervene in conformity with Rules 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before September 26, 2022. All motions for leave to intervene shall be served on all existing parties and other proposed intervenors of record.
- B. The Commission's Utility Division Staff shall, and any intervenors may, file direct testimony on or before September 26, 2022.
- C. Rebuttal testimony may be filed on or before October 14, 2022.
- D. The deadline to file a Stipulation is September 30, 2022.
- E. Any opposition to a Stipulation shall be filed on or before October 5, 2022.
- F. **The public hearing will be held, beginning at 9:00 a.m. on Wednesday, October 26, 2022 and will continue as necessary through Friday, October 28, 2022.** The hearing may be held in person or via videoconferencing, depending on pandemic restrictions in effect at the time.

8. The Commission's Rules of Procedure found at 1.2.2 NMAC will apply to this case unless modified by order of the Commission or Hearing Examiner. A copy of such Rules

may be obtained from the offices of the Commission and are available online at the official NMAC website <http://www.srca.nm.gov/nmac-home/>.

9. Interested person may appear at the time and place of hearing and make oral comment pursuant to 1.2.2.23(F) NMAC without becoming an intervenor. Public comments shall be limited to 3 minutes per speaker. Such comments will not be considered as evidence in this case.

10. Interested persons may also submit written comments, which shall reference NMPRC Case No. 22-00177-UT, to the Commission via its Records Bureau's email address at prc.records@state.nm.us. However, as noted above, pursuant to 1.2.2.23(F) NMAC, comments will not be considered as evidence in this proceeding.

11. SPS's Application, 2021 RPS Report and 2023 RPS Plan, together with supporting pre-filed direct testimony and any exhibits and related papers, may be examined by any interested person online at the SPS website https://www.xcelenergy.com/company/rates_and_regulations/filings; the Commission's website at <https://edocket.nmprc.state.nm.us>; or in person at the offices of SPS or the Commission at the following addresses once such buildings are re-opened following the Public Health Emergency declared as a result of the Covid-19 virus. All inquiries or written comments should refer to Case No. 22-00177-UT.

Mike McLeod
Southwestern Public Service Company
111 East Fifth Street
Post Office Box 1937
Roswell, New Mexico 88201
577-625-5499 or 1-800-895-4999

Linda Hudgins, Regulatory Case Specialist II
Southwestern Public Service Company
790 S. Buchanan
Amarillo, Texas 79101

Records Management Bureau
New Mexico Public Regulation Commission
P.O. Box 1269
Santa Fe, New Mexico 87504
505-827-6956

12. Anyone filing pleadings, documents or testimony in this case shall serve copies thereof on all parties of record and the Commission Staff via e-mail as required by the Commission or the Hearing Examiner. Any such filings shall also be sent to the Hearing Examiner at robert.lennon@state.nm.us and shall include versions created in Microsoft Word if available. Any such filings shall be e-mailed on the date they are filed with the Commission.

13. Anyone filing pleadings, testimony, and other documents in this case shall, until further notice, comply with the Commission's Electronic Filing Policy, as amended from time to time. This includes electronic filings by emailing in pdf format, with electronic signatures, to prc.records@state.nm.us within regular business hours of the due date in order to be considered as being timely filed. Documents received after regular business hours will be considered as being filed the next business day. Regular business hours are from 8:00 A.M. to 5:00 P.M. MT.

14. The procedural dates and requirements currently set in this case are subject to further order of the Commission or the Hearing Examiner. Interested persons should contact the Commission at (505) 690-4191 for confirmation of the hearing date, time, and place, since hearings are occasionally rescheduled.

15. Any person filing prepared testimony under 1.2.2.35(I) NMAC on behalf of a party shall attend the hearing and submit to examination under oath. No person shall testify at the hearing unless that person has pre-filed testimony.

16. Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner's August 25, 2022 Procedural Order.

17. Any person with a disability requiring special assistance in order to participate in this case should contact the Commission at least 24 hours prior to the commencement of the hearing.

ISSUED at Santa Fe, New Mexico, this 25th day of August 2022.

NEW MEXICO PUBLIC REGULATION COMMISSION

/s/ Robert J. Lennon

Robert J. Lennon,
Hearing Examiner