

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF THE SOUTHWESTERN  
PUBLIC SERVICE COMPANY’S TRIENNIAL  
ENERGY EFFICIENCY PLAN APPLICATION  
REQUESTING APPROVAL OF: (1) SPS’S  
2023-2025 ENERGY EFFICIENCY PLAN AND  
ASSOCIATED PROGRAMS; (2) A FINANCIAL  
INCENTIVE FOR PLAN YEAR 2023; AND (3)  
CONTINUATION OF SPS’S ENERGY  
EFFICIENCY TARIFF RIDER TO RECOVER  
ITS ANNUAL PROGRAM COSTS AND  
INCENTIVES,**

**SOUTHWESTERN PUBLIC SERVICE  
COMPANY,**

**APPLICANT.**

**Case No. 22-00124-UT**

**NOTICE OF PROCEEDING AND HEARING**

**NOTICE** is hereby given by the New Mexico Public Regulation Commission (“Commission” or NMPRC) of the following:

On May 16, 2022, Southwestern Public Service Company (“SPS”) filed its application for approval of: (1) SPS’s 2023, 2024, and 2025 Energy Efficiency Plan (“Triennial Plan”) and associated energy efficiency (“EE”) and load management programs (collectively referred to as “EE/LM” programs); (2) a financial incentive for plan year (“PY”) 2023; and (3) the continuation of SPS’s Energy Efficiency tariff rider (“EE Rider”) to recover annual EE/LM program costs and associated incentives. SPS’s Application requests that the Commission issue an order granting the following relief:

- a) approve SPS’s Triennial Plan and associated EE/LM programs;
- b) authorize SPS to apply the Commission’s approval of the Triennial Plan budget for PY 2023 to the entirety of PY 2023, even if the Commission has not issued a final order by December 31, 2022;
- c) authorize SPS to recover three to five percent of customer bills, but no more than \$75,000 from any individual customer, to fund its Triennial Plan EE/LM program and administrative costs in accordance with Section 17.7.2.8(C)(1) of the Commission’s Energy Efficiency Rule (17.7.2 NMAC, “EE Rule”) and Section 62-17-6(A) of the New Mexico Efficient Use of Energy Act, (NMSA 1978, Sections 62-17-1 through 62-17-11, “EUEA”) and to recover these costs through its EE Rider;
- d) approve SPS’s proposed methodology to calculate the financial incentive for each year of the Triennial Plan;

**ATTACHMENT TO PROCEDURAL ORDER**

- e) approve recovery of a financial incentive for PY 2023 through SPS's EE Rider;
- f) approve SPS's reconciliation of its authorized budget and actual plan year expenditures and collections for PY 2021; and
- g) grant all other approvals, authorizations, and relief that may be required under the EUEA, the EE Rule, and the New Mexico Public Utility Act (NMSA 1978, Sections 62-3-1 et seq., "PUA") for SPS to implement the approved Triennial Plan and EE Rider.

SPS's Triennial Plan presents twelve EE/LM programs that target customers in the Residential (including low-income) and Business Segments. The Triennial Plan proposes nine Residential Segment programs and three Business Segment programs. Additionally, SPS's Triennial Plan includes a Planning and Research Segment, which is necessary for the successful implementation of the portfolio of proposed EE/LM programs.

The EUEA allows a utility that undertakes cost-effective EE/LM programs to recover its prudent and reasonable costs, along with Commission-approved incentives for demand-side resources through an approved tariff rider or in base rates.

The EUEA and EE Rule provide that funding for EE/LM program costs be set at no less than three percent and no more than five percent of customer bills – excluding gross receipts taxes and franchise and right-of-way access fees – or seventy-five thousand dollars (\$75,000) per customer per calendar year, whichever is less, for customer classes with the opportunity to participate. SPS's proposed EE Rider is applicable to all of SPS's New Mexico retail rate schedules, subject to the statutory cap and exemptions. In accordance with the EUEA and the EE Rule, SPS proposes to recover a total of \$15,365,007 for EE/LM program and administrative costs for PY 2023 through the EE Rider in 2023, subject to future reconciliation of actual expenditures and collections. This represents a 3.043% charge.

SPS's Application also includes a request for an annual incentive for the PY 2023 that is based on a percentage of spend. SPS proposes to recover its projected PY 2023 incentive through a separate charge under its approved 2023 EE Rider concurrent with its Triennial Plan EE/LM program cost recovery, subject to reconciliation in 2024. For purposes of its proposed 2023 EE Rider, SPS models its incentive recovery at the base amount of \$945,182. However, the PY 2023 incentive amount SPS proposes to be collected through the 2023 EE Rider is \$1,276,889 to account for SPS's under-collection of its incentive earned for PY 2021. The incremental total impact for incentive recovery (above the proposed 3.043 percent funding level for EE/LM programs) is 0.253%.

As authorized in Case No. 21-00186-UT, SPS has included \$175,879 in its calculation of its proposed 2023 EE Rider amount to account for the remaining, unrecovered costs associated with the EE Potential Study submitted in that case. The incremental total impact of the amortization of the remaining costs for the EE Potential Study (above the proposed 3.043 percent funding level for EE/LM programs) is 0.035%.

The EE Rider rates are assessed on a percentage-of-bill basis. The following tables compare the present bill and anticipated bill for a customer receiving service under each affected customer class at the indicated levels of consumption:

**Residential Service**

	Winter Months		Summer Months	
Consumption Level	Present	Proposed	Present	Proposed
0 kWh	\$10.22	\$10.14	\$10.22	\$10.14
250 kWh	\$40.22	\$39.92	\$44.22	\$43.87
500 kWh	\$70.26	\$69.71	\$78.22	\$77.61
900 kWh	\$118.29	\$117.37	\$132.63	\$131.60
1000 kWh	\$130.30	\$129.28	\$146.23	\$145.09
2000 kWh	\$250.38	\$248.43	\$282.25	\$280.05

**Small General Service**

	Winter Months		Summer Months	
Consumption Level	Present	Proposed	Present	Proposed
0 kWh	\$17.62	\$17.48	\$17.62	\$17.80
250 kWh	\$42.26	\$41.93	\$45.68	\$45.33
500 kWh	\$66.91	\$66.39	\$73.75	\$73.18
750 kWh	\$91.56	\$90.85	\$101.82	\$101.83
1,100 kWh	\$126.07	\$125.08	\$141.12	\$140.02
2000 kWh	\$214.80	\$213.12	\$242.17	\$240.28

**Secondary General Service**

	Winter Months		Summer Months	
Consumption Level	Present	Proposed	Present	Proposed
12 kW; 1500kWh	\$336.03	\$333.41	\$374.31	\$371.39
35 kW; 7500 kWh	\$1,048.40	\$1,040.22	\$1,160.03	\$1,150.99
45 kW; 15000 kWh	\$1,577.29	\$1,564.99	\$1,720.82	\$1,707.40
100 kW; 30000 kWh	\$3,309.99	\$3,284.18	\$3,628.95	\$3,600.65

**Primary General Service**

	Winter Months		Summer Months	
Consumption Level	Present	Proposed	Present	Proposed
12kW; 1500 kWh	\$324.83	\$322.29	\$370.73	\$367.84
35 kW; 7500 kWh	\$976.62	\$969.01	\$1,110.52	\$1,101.86
35 kW; 1500 kWh	\$1,242.36	\$1,232.68	\$1,376.25	\$1,365.52
80 kW; 35,000 kWh	\$2,810.32	\$2,788.40	\$3,116.35	\$3,092.05

**Large General Service Transmission (69 kV)\***

	Winter Months		Summer Months	
Consumption Level	Present	Proposed	Present	Proposed
800 kW; 500000 kWh	\$29,013.68	\$28,787.46	\$31,156.76	\$30,913.83
1600 kW; 1000000 kWh	\$55,540.51	\$55,107.46	\$59,558.79	\$59,094.41
6300 kW; 4000000 kWh	\$217,546.81	\$217,546.81	\$233,237.75	\$233,237.75
13000 kW; 8000000 kWh	\$427,739.84	\$427,739.84	\$459,121.71	\$459,121.71

\* Section 62-17-A(1) of the EUEA establishes funding for EE/LM program costs for investor-owned electric utilities at no less than three percent and no more than five percent of customer bills or \$75,000 per customer per calendar year, whichever is less.

SPS proposes to implement the 2023 EE Rider on the later of January 1, 2023, or the first full billing month following Commission approval of the Triennial Plan and SPS's filing of the advice notice.

Pursuant to the EUEA and EE Rule, SPS proposes to reconcile authorized EE expenditures and collections, including utility incentive amounts, on an annual basis and report this annual reconciliation, as well as plan year and expected plan budget adjustments, in its Annual Report filed with the Commission. SPS proposes to annually file an advice notice, amended tariff, and supporting documentation regarding the annual incentive reconciliation.

SPS's proposed rate changes are for informational purposes only and the final rate design may vary the rates ultimately charged to each class.

The Commission has assigned Case No. 22-00124-UT to this case and all inquiries or written comments concerning this case should refer to that case number.

In their Procedural Order issued in this case on June 24, 2022, the undersigned Hearing Examiner assigned to this matter by the Commission established the following procedural schedule and requirements for this case:

- A. Any person desiring to become a party ("intervenor") to this case must file a motion for leave to intervene in conformity with NMPRC Rules of Procedure 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before August 12, 2022. All motions for leave to intervene shall be served on all existing parties and other proposed intervenors of record.
- B. A settlement meeting between and among the parties to this case shall be held on August 26, 2022 at a location to be determined. The settlement meeting date may be changed, if necessary, at the discretion of the parties. The parties also may hold subsequent settlement meetings at their discretion.
- C. Staff shall file, and any intervenor may file, direct testimony on or before September 7, 2022. Alternatively, should a settlement be reached among all parties, a stipulation may be filed no later than September 7, 2022.
- D. If a stipulation is filed as provided above, SPS and Staff shall, and any intervenor may, file direct testimony in support of the stipulation on or before September 21, 2022. Alternatively, any rebuttal testimony to the direct testimony submitted on September 7, 2022, shall be filed on or before September 21, 2022.
- E. Any rebuttal testimony to the direct testimony in support of a stipulation shall be filed on or before October 5, 2022.
- F. Motions in limine, motions to strike testimony, and other prehearing motions shall be filed on or before October 6, 2022. Responses to such motions shall be filed on or before October 10, 2022.
- G. The public hearing of this matter shall be held on October 12, 2022 beginning at 9:30 a.m. Mountain Time (MT) to hear and receive evidence, arguments, and any other appropriate matters relevant to this proceeding. The evidentiary hearing will continue, as necessary, on October 13, 2022. Due to the COVID-19 pandemic, the evidentiary hearing shall be conducted via the Zoom videoconference platform. Access to and participation in the evidentiary hearing shall be limited to party-participants (i.e., counsel and witnesses), the Commissioners, and other

essential Commission personnel. The Zoom hearing will be livestreamed through YouTube and will be displayed on the Commission's website at <https://www.nm-prc.org>. Persons not participating in the evidentiary hearing as an attorney or witness may view the hearing on the Commission's website and shall not join the hearing via Zoom except to provide oral comment as allowed below.

- H. Interested persons who are not affiliated with a party may make oral or written comment pursuant to Rule 1.2.2.23(F) NMAC. Oral comment shall be taken at the beginning of the public hearing in this matter on October 12, 2022 and shall be limited to 3 minutes per commenter. As part of the public hearing, public comment will be taken via the Zoom platform. Therefore, persons wishing to make an oral comment must register in advance, not later than 8:30 a.m. MT on October 12, 2022, by e-mailing Ana Kippenbrock at [Ana.Kippenbrock@state.nm.us](mailto:Ana.Kippenbrock@state.nm.us). Written comments may be submitted before the Commission takes final action by sending the comment, which shall reference NMPRC Case No. 22-00124-UT, to [prc.records@state.nm.us](mailto:prc.records@state.nm.us). Public comments, whether oral or written, shall not be considered as evidence in this proceeding.

The procedural dates and requirements provided herein are as set forth in the June 24, 2022 Procedural Order and are subject to further order of the Hearing Examiner or Commission. Persons interested in intervening in this case should familiarize themselves with the additional requirements for this case established in the Procedural Order. Moreover, any interested person should contact the Commission at 505-690-4191 for confirmation of the hearing date, time, and place since hearings are occasionally rescheduled or canceled if deemed not required in the discretion of the Hearing Examiner or Commission.

Any interested person may examine SPS's Application and supporting documents and other documents filed in the public record of this case on the Commission's website, <https://edocket.nmprc.state.nm.us>, or at the offices of the SPS and the Commission at the following addresses:

Southwestern Public Service Company  
111 E. Fifth Street  
Roswell, New Mexico 88201  
Telephone: (575) 625-5499  
(or)  
790 S. Buchanan Street  
Amarillo, Texas, 79109  
Telephone: (806) 378-2115

New Mexico Public Regulation Commission  
Docketing Office – Records Mgmt. Bureau  
142 West Palace Ave. # 300  
Santa Fe, NM 87501  
Telephone: 1-888-427-5772

The Commission's Rules of Procedure, § 1.2.2.1 NMAC et seq., shall apply in this case except as modified or varied by order of the Hearing Examiner or Commission. The Rules of Procedure and other NMPRC rules are available online at the New Mexico Commission of Public Records' State Records Center and Archives website at <http://www.srca.nm.gov/nmac-home/nmac-titles>.

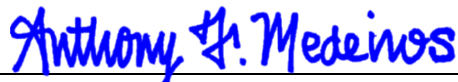
Any person filing pleadings, testimony, and other documents in this case may file either in person at the Commission's docketing office at the address set out above or by mail to the Commission's address at P.O. Box 1269, Santa Fe, New Mexico 87504-1269, and shall serve

copies thereof on all parties of record and Staff as specified in the Procedural Order and reflected in the Certificate of Service for this case. All filings shall be e-mailed on the date they are filed with the Commission and shall also be e-mailed on the same date to the Hearing Examiner at [anthony.medeiros@state.nm.us](mailto:anthony.medeiros@state.nm.us). All documents e-mailed to the Hearing Examiner shall include versions created in Word or other native format. Any filings not e-mailed to the Hearing Examiner in compliance with the requirements of the Procedural Order and Commission rules are subject to being summarily rejected and stricken from the record in the Hearing Examiner's discretion.

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS CASE SHOULD CONTACT THE COMMISSION AT 505-467-9116 AT LEAST 24 HOURS PRIOR TO THE COMMENCEMENT OF THE HEARING.

**ISSUED** at Santa Fe, New Mexico this **24<sup>th</sup>** day of **June 2022**.

**NEW MEXICO PUBLIC REGULATION COMMISSION**



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**Anthony F. Medeiros**  
**Hearing Examiner**