

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF 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)) CASE NO. 22-_____-UT
CONTINUATION OF SPS’S ENERGY)
EFFICIENCY TARIFF RIDER TO RECOVER)
ITS ANNUAL PROGRAM COSTS AND)
INCENTIVES,)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
APPLICANT)
_____)

DIRECT TESTIMONY

of

RICHARD M. LUTH

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
Commission	New Mexico Public Regulation Commission
EE	Energy Efficiency
EE Potential Study	Energy Efficiency Study
EE Rider or EER	Energy Efficiency Rider
EE Rule	Energy Efficiency Rule, 17.7.2 NMAC
EUEA	Efficient Use of Energy Act
kWh	kilowatt-hour
PY	Plan Year
RPS	Renewable Portfolio Standard
SPS	Southwestern Public Service Company, a New Mexico corporation
Triennial Plan or Triennial	SPS's 2023, 2024, and 2025 Energy Efficiency Plan
Xcel Energy	Xcel Energy Inc.

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
RML-1	2023 EE Rider Rate and Revenue Requirement
RML-2	2023 EE Rider Bill Impacts
RML-3	Proposed 2023 EE Rider Tariff
RML-4	Workpapers

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1 **I. WITNESS IDENTIFICATION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Richard M. Luth. My business address is 790 South Buchanan Street,
4 Amarillo, Texas 79101.

5 **Q. On whose behalf are you testifying in this proceeding?**

6 A. I am filing testimony on behalf of Southwestern Public Service Company, a New
7 Mexico corporation (“SPS”), and wholly-owned subsidiary of Xcel Energy Inc.
8 (“Xcel Energy”).

9 **Q. By whom are you employed and in what position?**

10 A. I am employed by SPS as Manager, Pricing & Planning.

11 **Q. Please briefly outline your responsibilities as Manager, Pricing & Planning.**

12 A. I am responsible for the preparation of electric cost allocation studies and the
13 development and design of retail electric rates and tariffs for SPS. Those
14 responsibilities include development of rates, terms, and conditions for proposed
15 service contracts, and the analysis of various other regulatory and business issues
16 for SPS.

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1 **Q. Please describe your educational background.**

2 A. I graduated from Illinois State University in 1983, with a Bachelor of Science in
3 Accounting.

4 **Q. Please describe your professional experience.**

5 A. I have been employed by SPS and its affiliated companies since April 2008. Prior
6 to that, I was a Rates Analyst and Economic Analyst with the Illinois Commerce
7 Commission since October 1990. At the Illinois Commerce Commission, I
8 reviewed cost-of-service, rates, and other matters involving the regulation of
9 investor-owned public utilities.

10 **Q. Have you attended or taken any special courses or seminars related to public**
11 **utilities?**

12 A. Yes. I attended and completed the Edison Electric Institute's Electric Rates
13 Advanced course. In addition, I have attended numerous courses and seminars
14 hosted by the Illinois State University Institute for Regulatory Policy Studies.

15 **Q. Have you testified or filed testimony before any regulatory authorities?**

16 A. Yes. I have filed testimony on behalf of SPS in numerous cases before the New
17 Mexico Public Regulation Commission ("Commission") regarding cost allocation,
18 rate design, and tariff issues, including SPS's last eight base-rate cases as well as

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1 in energy efficiency related matters. I have filed testimony on behalf of SPS in past
2 Renewable Portfolio Standard (“RPS”) cases, including Case No. 20-00143-UT¹
3 that established the currently effective RPS Cost Rider and RPS Reconciliation
4 Rider. I have also testified on behalf of SPS in numerous cases before the Public
5 Utility Commission of Texas on similar matters. Finally, before joining SPS, I
6 testified before the Illinois Commerce Commission on numerous occasions on
7 various cost allocation, rate design, and tariff issues.

¹ See *In the Matter of Southwestern Public Service Company's Annual 2021 Renewable Energy Portfolio Procurement Plan and Requested Approval Therein; Proposed 2021 Renewable Portfolio Standard Cost and Reconciliation Riders; Application for an RPS Incentive; and Other Associated Relief*, Case No. 20-00143-UT, Final Order Adopting Recommended Decision with Modification to Decretal Paragraph K (Dec. 16, 2020).

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1 **II. ASSIGNMENT AND RECOMMENDATIONS**

2 **Q. What is the purpose of your direct testimony?**

3 A. My testimony supports and addresses:

- 4 • the calculation of SPS’s 2023, 2024, and 2025 Energy Efficiency Plan
5 (“Triennial Plan” or “Triennial”) Energy Efficiency Rider (“EE Rider
6 or EER”) and projected customer bill impacts for Plan Year (“PY”) 2023;
7
8
9 • recovery through the EE Rider in PY 2023 of an incentive for spending
10 and savings achieved as a result of SPS’s energy efficiency (“EE”) and
11 load management programs (collectively referred to as “EE/LM”
12 programs); and
13 • SPS’s proposed annual reconciliation of prior year actual expenditures
14 and collections through the EE Rider.

15 **Q. Do you sponsor any sections of SPS’s Triennial EE Plan?**

16 A. Yes. I sponsor Sections II(D) and Section II(D)(1) of the Triennial Plan.²

17 **Q. Please summarize the recommendations made in your testimony.**

18 A. The Commission should authorize SPS to recover no less than three percent and no
19 more than five percent of customers’ bills—excluding gross receipts taxes and
20 franchise and right-of-way access fees—or \$75,000, whichever is less, from any

² The Triennial Plan is provided as Attachment MRS-1 to the direct testimony of SPS witness Mark R. Schoenheider.

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1 individual customer per calendar year, to fund its EE programs, consistent with
2 Section 62-17-6(A)(1) of the Efficient Use of Energy Act (“EUEA”) and Section
3 17.7.2.8(C)(1) of the Commission’s Energy Efficiency Rule (17.7.2 NMAC, “EE
4 Rule”). In accordance with the EUEA and the EE Rule, SPS proposes to recover a
5 total of \$15,365,007 for EE/LM program costs in PY 2023 through its EE Rider,
6 which represents a 3.043% charge.

7 In addition to the three to five percent EE/LM program funding level to be
8 recovered through the EE Rider, the Commission should authorize SPS to recover
9 an incentive based on the actual costs incurred by SPS for its EE/LM programs and
10 actual savings achieved under SPS’s approved programs for the Triennial Plan, as
11 discussed in detail by SPS witness Mark R. Schoenheider. For purposes of its
12 EE Rider, SPS models its recovery at the base incentive amount of \$945,182. SPS
13 does this because it believes the incentive for the baseline achievement goal is more
14 conservative and, therefore, less likely to result in an over-recovery from
15 customers. However, as discussed later in this testimony, the PY 2023 incentive
16 amount to be collected through the 2023 EE Rider is \$1,276,889 because it is
17 adjusted for under-collected PY 2021 incentives. The incremental total impact for

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1 incentive recovery (above the three to five percent funding level for EE programs)
2 is 0.253%.

3 In addition, as authorized in Case No. 21-00186-UT, SPS has included
4 \$175,879 in its calculation of its proposed 2023 EE Rider amount to account for
5 the remaining costs associated with the EE Potential Study submitted in that case.³
6 Amortization of the remaining costs for the EE Potential Study represents 0.035%
7 of the overall proposed 3.331% EE Rider for PY 2023.

8 In total, the Commission should authorize SPS to recover \$16,817,775
9 through a 3.331% EE Rider in PY 2023.⁴ For an average SPS residential customer
10 with consumption of 900 kilowatt-hours (“kWh”) per month, the recovery of this
11 amount equals an approximate charge of \$3.94 per month which is less than the
12 \$4.90 charge currently in effect.

³ *In the Matter of Southwestern Public Service Company’s Submittal of Energy Efficiency Potential Study Pursuant to Final Order in Case No. 19-00140-UT and Corresponding Requests for Approval*, Case No. 21-00186-UT, Recommended Decision at 56, Finding of Fact No. 11 (Feb. 3, 2022) (“SPS should be authorized to recover costs associated with the completion of the EE Potential Study over a two-year time period beginning in PY 2022 through SPS’s EE program budget.”), *approved by* Final Order (Mar. 9, 2022).

⁴ = 3.043% program funding + 0.253% incentive + 0.035% remaining potential study costs.

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1 **Q. Were the portions of the Triennial Plan that you sponsor prepared by you or**
2 **under your direct supervision and control?**

3 **A. Yes.**

4 **Q. Were Attachments RML-1 through RML-4 prepared by you or under your**
5 **direct supervision?**

6 **A. Yes.**

A. Description and Calculation of the 2023 EE Rider

A. Yes. Most recently in Case No. 21-00186-UT,⁵ the Commission authorized the continuation of SPS's EE Rider to recover EE/LM program costs and the PY 2022 incentive, which is consistent with Section 62-17-6(A) of the EUEA and 17.7.2.13(B) NMAC. SPS designs its EE Rider to recover its annual energy efficiency plan expenses over a 12-month period.

A. Yes, SPS proposes to continue program and administrative expense recovery through the EE Rider for PYs 2023, 2024, and 2025.

8

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1 **Q. In addition to program and administrative expenses, are there any other**
2 **components to the EE Rider?**

3 A. Yes. As noted above, the EE Rider also includes: (i) an estimate of the base
4 financial incentive for PY 2023; (ii) a reconciliation adjustment to account for the
5 under-recovery of SPS's earned financial incentive for energy savings achieved in
6 PY 2021; and (iii) the remaining unrecovered costs associated with the EE Potential
7 Study submitted in Case No. 21-00186-UT.

8 **Q. Please identify the tariff schedules to which the 2023 EE Rider is applied.**

9 A. The 2023 EE Rider will be applied to all SPS's New Mexico retail rate schedules.
10 This is appropriate because all customers have the opportunity to participate in
11 SPS's EE/LM programs.

12 **B. Triennial Program and Administrative Costs**

13 **Q. What amount of EE/LM program and administrative costs is SPS proposing**
14 **to recover through its Triennial EE Rider?**

15 A. SPS proposes to recover \$15,365,007 in program expenses, which is SPS's
16 requested 2023 Commission-authorized funding level, adjusted for prior period
17 over-collections (*i.e.*, the 2021 program and administrative cost budget).

18 **Q. How did SPS determine the amount for program cost recovery?**

19 A. SPS followed 17.7.2.8(C)(1) NMAC, which states:

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(1) Estimated plan year funding for electric public utilities' energy efficiency and load management program costs shall be expressed in dollars and shall be no less than three percent and no more than five percent of billing revenues from all of its customers' bills that the public utility estimates to be billed during the plan year, excluding:

- (a) gross receipts taxes and franchise and right-of-way access fees;
- (b) revenues that the public utility estimates to bill during the plan year to any single customer that exceed \$75,000;
- (c) any customer's plan year self-directed program credits approved by the public utility or by a commission approved self-direct administrator; and
- (d) any customer's plan year self-directed program exemptions approved by the public utility or by a commission approved self-direct administrator.

Consistent with the requirements above, and as shown in Attachment RML-1, page 2, SPS:

1. Forecasted its 2023 revenues at present rates (as approved by the Commission in Case No. 20-00238-UT⁶), including fuel and other charges, by multiplying present rates by forecasted 2023 kWh. The result is \$664.9 million (line 1).

⁶ *In the Matter of Southwestern Public Service Company's Application for: (1) Revision of its Retail Rates Under Advice Notice No. 292; (2) Authorization and Approval to Abandon its Plant X Unit 3 Generating Station; and (3) Other Associated Relief*, Case No. 20-00238-UT, Final Order Adopting Certification of Stipulation in its Entirety and Granting SPS's Motion for Reconsideration (Feb. 16, 2022).

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- 1 2. SPS then removed approximately \$160.0 million to account for large
2 customer EE billings over \$75,000 a year (line 2). This resulted in
3 estimated 2023 post-cap revenues of \$504.9 million (line 3).⁷
- 4 3. SPS multiplied the net result of approximately \$504.9 million by three
5 and five percent to determine the permissible range of funding for SPS's
6 EE programs in 2023. This resulted in a range of \$15.1 million at 3% to
7 \$25.2 million at 5%.
- 8 4. SPS next determined the necessary amount within this range to
9 implement EE programs designed to achieve SPS's approved savings
10 goal for PYs 2023 through 2025. The resulting amount is \$16,437,956
11 (line 4). This equates to 3.256% of SPS's forecasted 2023 revenues
12 excluding large customer billings that would cause EE charges to
13 exceed \$75,000 (line no. 8).
- 14 5. SPS then reduced the funding level by \$38,840 interest (line 5) and
15 \$1,034,370 (line 6) to account for the PY 2021 over-recovery, resulting
16 in \$15,365,007 of EE Rider funding for PY 2023 programs (line 7),
17 which does not include the proposed 2023 Triennial incentive.

⁷ Looking beyond 2023, SPS is forecasting total revenues applicable to the EER (net of large customer cap) of \$528.1 million for PY 2024 and \$556.6 million for PY 2025, respectively. SPS's program budgets for these years will be 3-5% of its estimated billing revenues for each PY, calculated consistent with the EUEA and the EE Rule.

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1 **C. Recovery of PY 2023 Financial Incentive**

2 **Q. Does SPS propose to recover a PY 2023 incentive through the 2023 EE Rider?**

3 A. Yes. Recovery of any approved financial incentive will be in addition to the three
4 to five percent funding level authorized under Section 62-17-6(A)(1) of the EUEA
5 and 17.7.2.8(C)(1) NMAC.

6 **Q. What impact would the recovery of the PY 2023 incentive have on customer**
7 **bills?**

8 A. The total bill impact would be 0.253% for the proposed incentive amount adjusted
9 for the 2021 under-collection of SPS's earned incentive for actual savings
10 achievements in PY 2021. (Attachment RML-1, page 1, line 2). Mr. Schoenheider
11 discusses SPS's earned incentive for PY 2021 in his direct testimony.

12 **Q. If the Commission authorizes SPS to recover an incentive through its EE Rider**
13 **based on actual savings achieved and actual spending, could actual recovery**
14 **differ from the approved incentive amount?**

15 A. Yes. The amount that is actually collected is expected to be different from the
16 amount approved because the amount collected will be based on actual sales.
17 Differences in actual kWh compared to forecasted kWh, differences in the relative
18 shares of each customer class to total New Mexico revenue applicable to the
19 EE Rider, and differences in fuel costs are three major reasons why actual EE Rider

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1 revenues will not precisely match the totals in this filing. It is expected that the
2 difference will not be excessive when 2023 is concluded because SPS believes its
3 forecast is within a reasonable range for estimating 2023 EE Rider revenue.

4 **D. 2023 EE Rider Bill Impacts**

5 **Q. What is the percentage of Triennial Plan rate to applicable revenues?**

6 A. Consistent with EUEA § 62-17-6(A)(1) and 17.7.2.8(C)(1) NMAC, the funding
7 level for PY 2023 of the Triennial Plan, including the incentive and remaining EE
8 Potential Study costs, equates to 3.331% of billed revenue under SPS's current
9 rates, excluding gross receipts tax and franchise fees.

10 **Q. What impact will recovery of the adjusted funding level for PY 2023 programs**
11 **in the PY 2023 EE Rider have on an average residential customer's monthly**
12 **bill of 900 kWh?**

13 A. At the adjusted funding level, excluding gross receipts tax and franchise fees,
14 charges under the 2023 EE Rider is approximately \$3.60 to a 900-kWh year-round
15 average monthly residential customer's bill. Attachment RML-2 includes bill
16 impact estimates of different levels of usage for residential and other customers.

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1 **Q. What impact will recovery of the proposed incentive through the 2023**
2 **EE Rider have on an average residential customer's monthly bill of 900 kWh?**

3 A. As previously indicated, the incentive for PY 2023 is estimated to have a 0.253%
4 impact on customer bills (Attachment RML-1, line 2). For a 900-kWh year-round
5 average monthly residential customer's bill, this would add approximately \$0.30.

6 **Q. What impact will recovery of the remaining costs associated with the**
7 **EE Potential Study submitted in Case No. 21-00186-UT through the 2023**
8 **EE Rider have on an average residential customer's monthly bill of 900 kWh?**

9 A. The remaining cost of the EE Potential Study is estimated to have a 0.035% impact
10 on customer bills (Attachment RML-1, line 3). For a 900 kWh year-round average
11 monthly residential customer's bill, this would add approximately \$0.04.

12 **Q. What is the total annualized impact of the proposed 2023 EE Rider on a 900**
13 **kWh residential customer's bill?**

14 A. A 900 kWh per month Residential Service customer would include \$3.94 for the
15 2023 EE Rider when combining the three elements of the EE Rider.

16 **Q. Is there a maximum amount that can be billed to individual customers for**
17 **program costs under the 2023 EE Rider?**

18 A. Yes. As noted above, EUEA § 62-17-6(A)(1) and 17.7.2.8(C)(1) NMAC establish
19 funding for program costs for investor-owned electric utilities at three to five

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1 percent of customer bills or \$75,000 per year, whichever is less. The EUEA defines
2 a customer as “a utility customer at a single, contiguous field, location or facility,
3 regardless of the number of meters at that field, location or facility.” (Section 62-
4 17-4(D)). Based on current rates and SPS’s specific customer demographics, only
5 a small number of customers would exceed the \$75,000 annual cap. In 2021, there
6 were 27 such customers with kWh not applicable to the EE Rider representing
7 approximately 2,234 gigawatt-hours, or 28% of SPS New Mexico energy use.
8 These customers generally are part of the Large General Service Transmission or
9 Primary General Service customer classes.

10 **Q. Has SPS developed a representative customer impact analysis?**

11 A. Yes. The following Table RML-1 shows how the proposed 2023 EE Rider will
12 impact representative customers in each rate class. The monthly bill is based on
13 SPS’s present rates. In addition, please refer to Attachment RML-2, which provides
14 a more detailed customer impact analysis of the proposed 2023 EE Rider rate versus
15 the 2022 EE Rider rate currently included on customer bills.

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1 **Table RML-1: Average Customer Impact by Rate Schedule**

EE Rider Component	Residential Service -- 900 kWh	Small General Service -- 1,100 kWh	Secondary General Service -- 45 kW; 15,000 kWh	Primary General Service -- 80 kW; 35,000 kWh	Large General Service Trans- mission⁸ -- 12,000 kW; 7,600,000 kWh
Monthly Bill excluding EE Rider	\$ 127.35	\$ 125.87	\$ 1,560.48	\$2,796.47	\$ 409,575.30
Monthly EE Rider Charge - 2023 Program Only	\$ 3.60 3.043%	\$ 3.83 3.043%	\$ 47.49 3.043%	\$ 85.11 3.043%	\$ 5,710.07 1.394%
Monthly EE Rider Charge - 2023 Incentive	\$ 0.30 0.253%	\$ 0.32 0.253%	\$ 3.95 0.253%	\$ 7.07 0.253%	\$ 474.56 0.116%
Monthly EE Rider Charge - 2023 EE Potential Study	\$ 0.04 0.035%	\$ 0.04 0.035%	\$ 0.54 0.035%	\$ 0.97 0.035%	\$ 65.37 0.016%
Total Monthly EE Rider Charge	\$ 3.94 3.331%	\$ 4.19 3.331%	\$ 51.98 3.331%	\$ 93.16 3.331%	\$ 6,250.00 1.526%

2 **Q. When will the 2023 EE Rider be implemented?**

3 A. As noted above, the 2023 EE Rider will be implemented upon issuance and in
4 conformity with an order by the Commission approving the Triennial Plan in this
5 case, but no earlier than January 1, 2023.

⁸ Large General Service – Transmission customers are typically capped at a total of \$75,000 in EE Rider charges per year, which is an average of \$6,250 per month.

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1 **Q. How does the amount being collected currently in the 2022 EE Rider compare**
2 **to the amount requested for recovery of the 2023 EE Rider?**

3 A. At 3.331% of customer bills, the proposed 2023 EE Rider is more than 19 percent
4 lower than the current 4.143% EE Rider.

5 E. **SPS's Compliance with other EUEA Requirements for the**
6 **EE Rider**

7 **Q. Are there other requirements related to tariff riders under the EUEA and**
8 **EE Rule?**

9 A. Yes. Section 62-17-6(A) of the EUEA and 17.7.2.13(C)(2) NMAC require tariff
10 riders, unless otherwise ordered by the Commission, to include a message on
11 customer bills explaining program benefits of EE programs. SPS proposes to
12 continue to include the following message on all customer bills to address this
13 requirement:

14 Energy Efficiency programs result in cost savings and benefit the
15 environment. For every \$1.00 spent on energy efficiency programs,
16 customers save nearly double that amount over time on the cost of
17 providing electricity. Customers who participate in programs will
18 save even more. Learn more about these programs and rebates that
19 may be available to you at www.xcelenergy.com.

20 SPS has used this same language in several prior energy efficiency filings.

21 F. **Advice Notice**

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1 **Q. Is SPS filing an advice notice with its application?**

2 A. Yes. Consistent with 17.7.2.13(C)(3) NMAC, SPS has filed an advice notice
3 concurrently with its application, which requires the Commission to act on SPS's
4 advice notice within 30 days of filing, unless suspended for not more than 180 days.
5 In accordance with the EE Rule, SPS has served all individuals and entities required
6 by 17.1.2.210.11 NMAC. The proposed tariff is included as Attachment RML-3 to
7 my direct testimony.

1 **IV. SPS'S APPROVED ANNUAL RECONCILIATION PROCESSES**
2 **ARE CONSISTENT WITH THE EUEA, EE RULE, AND**
3 **OTHER RIDER RECONCILIATIONS**

4 **Q. What do you discuss in this section of your testimony?**

5 A. I discuss SPS's annual reconciliation processes. The reconciliation processes
6 involve the annual reconciliation of annual collections and expenditures. The
7 reconciliation concerns prior actual expenditures and collections through the
8 EE Rider.

9 A. **Annual Budget Reconciliation Process**

10 **Q. How are Plan Year overage and underage defined?**

11 A. The EE Rule (17.7.2.7(P)(2) and (P)(3) NMAC) defines "plan year overage" and
12 "plan year underage" as follows:

13 **Plan year overage** means the public utility's actual prior plan
14 year expenditures that exceeded the same plan year's actual
15 collections; and

16 **Plan year underage** means the public utility's actual prior plan
17 year collections that exceeded the same plan year's actual
18 expenditures.

19 **Q. What does the EE Rule require in relation to a plan year overage or underage?**

20 A. The EE Rule (17.7.2.8(D) and (E) NMAC) requires the following, respectively:

21 The public utility's application shall calculate and provide the
22 difference between its actual prior plan year expenditures for
23 measures and programs and the same plan year's applicable

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1 funding required by statute. At the end of each plan year, the
2 public utility shall calculate the following applicable values:

3 (1) any plan year overage; or

4 (2) any plan year underage.

5 In each plan year, a public utility shall make its best efforts to
6 expend its applicable plan funding as calculated in [17.7.2.8(C)
7 NMAC] subtracting any applicable prior plan year overage or
8 adding any applicable prior plan year underage, provided,
9 however, that a public utility may periodically adjust its plan year
10 expenditures by an amount not greater than 10 percent of the
11 approved funding level if the adjustment will result in aligning
12 plan year expenditures more closely with projected plan year
13 collections.

14 Thus, consistent with the EE Rule requirement, a reconciliation of SPS's collections
15 compared to actual expenditures is necessary.

16 **Q. Did SPS incur an overage or underage subject to reconciliation?**

17 A. Yes, as I discussed earlier in my testimony, a reconciliation of 2021 underage (over
18 collections) of \$1,034,370 is included in the PY 2023 budget per the EE Rule. This
19 reconciling item is included in the EE Rider summarized in Attachment RML-1,
20 page 1, and detailed in Attachment RML-1, page 2, lines nos. 4-6.

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1 B. **Annual Energy Efficiency Funding/Expenditures Collection**
2 **Reconciliation Process**

3 Q. Please describe SPS's process for reconciling over- or under-collections of
4 prior year expenditures and collections.

5 A. As described previously, SPS has presented the reconciliation of actual PY 2021
6 costs with PY 2021 EE Rider revenue, which resulted in an underage in PY 2021
7 spending or over-recovery. For PY 2023, the PY 2021 over-recovery reduces the
8 funding of PY 2023 EE/LM programs through the 2023 EE Rider. Depending upon
9 the reconciliation of PY 2022 spending with the 2022 EE Rider currently in effect,
10 funding of PY 2024 EE/LM program costs would be similarly affected; in which
11 an accumulated underage, or over-recovery of accumulated program costs, would
12 reduce the 2024 EE Rider, and conversely, an overage, or under-recovery of
13 accumulated program costs, would increase the 2024 EE Rider. The reconciliation
14 of the 2023 EE Rider under consideration in this filing would affect the 2025 EE
15 Rider.

16 Q. Does this conclude your pre-filed direct testimony?

17 A. Yes.

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CONTINUATION OF SPS’S ENERGY)
EFFICIENCY TARIFF RIDER TO RECOVER)
ITS ANNUAL PROGRAM COSTS AND)
INCENTIVES,)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
APPLICANT)
_____)

VERIFICATION

On this day, May 16, 2022, I, Richard M. Luth, swear and affirm under penalty of perjury under the law of the State of New Mexico, that my testimony contained in Direct Testimony of Richard M. Luth is true and correct.

/s/ Richard M. Luth
RICHARD M. LUTH

Southwestern Public Service Company

**New Mexico Retail
Summary of Proposed 2023 EE Rider**

Line No.	Description	Amount	Notes
1	2023 Program Funding impact on EE Rider	3.043%	Attachment RML-1, page 2, line #9
2	2023 Incentive adjusted for previous over-recovery	0.253%	Attachment RML-1, page 2, line #19
3	2023 Remaining Actual Potential Study Cost	0.035%	Attachment RML-1, page 2, line #23
4	2023 Rider Rate as a Percent of Bill	3.331%	

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Detail of Proposed 2023 EE Rider Components

Line No.	Description	Amount	Notes
<u>1. EE Rider 2023 Program Funding</u>			
1	2023 Total Revenue Forecast	\$ 664,869,343	
2	Revenue in Excess of Large Customer Cap	\$ (160,017,946)	
3	= Revenue Applicable to Energy Efficiency Rider	<u>\$ 504,851,397</u>	
4	Budget Before Adjustments	\$ 16,437,956	(1)
5	Estimated 2023 Interest on Average Balance	(38,579)	At 2022 Customer Deposit Rate
6	2021 Over-recovery	\$ (1,034,370)	line #13
7	= 2023 Energy Efficiency Budget, before Interest	<u>\$ 15,365,007</u>	
8	Budget % of Revenue	<u>3.256%</u>	line #4 ÷ line #3
9	EE Rider Program Funding	<u>3.043%</u>	line #7 ÷ line #3
<u>1.1 Reconcile Collections Versus Spending (§§62 17 6(A))</u>			
<i>2021 Collections vs. Spending</i>			
10	2021 Program Revenue (Collections)	\$ (12,702,340)	
11	2021 Actual Program Spending	11,667,970	
12	2021 Over-recovery of EER costs	<u>\$ (1,034,370)</u>	1-year amortization, per 17.7.2.8(A) NMAC
<u>2. Incentive</u>			
13	Accumulated 2021 Under-Collection of Accrued Incentive	\$ (16,134)	adjusted for previous over-collection
14	EE Rider Amounts Charged for 2021 Estimated Incentive	\$ (495,391)	
15	Earned 2021 Incentive	\$ 844,761	SPS - Mark R. Schoenheider
16	Interest on 2021 Average Accumulated Incentive Balance	\$ (1,529)	
17	2023 Base Incentive	<u>\$ 945,182</u>	(2)
18	Net Incentive included in EE Rider	<u>\$ 1,276,889</u>	
19		<u>0.253%</u>	= line #18 ÷ line #3
<u>3. Amortization of Remaining Potential Study costs</u>			
20	Total Costs	\$ 425,879	
21	minus: Amortized through 2022	<u>\$ (250,000)</u>	
22	2023 Remaining Amortization of Potential Study costs	<u>\$ 175,879</u>	(1) Completed with 2023 amortization.
23	included in EE Rider	<u>0.035%</u>	= line #22 ÷ line #3

(1)

Budget Range

3% \$15,145,542
5% \$25,242,570

(2) Schoenheider Direct, Attachment MRS-6, at 44 GWh evaluated savings

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at		Proposed 2023		
	Current Energy Efficiency Rider	Energy Efficiency Rider	Change in Bill		
<u>Residential Service (Summer)</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
0 kWh	\$ 10.22	\$ 10.14	\$ (0.08)	-0.8%	
250 kWh	\$ 44.22	\$ 43.87	\$ (0.35)	-0.8%	
500 kWh	\$ 78.22	\$ 77.61	\$ (0.61)	-0.8%	
900 kWh	\$ 132.63	\$ 131.60	\$ (1.03)	-0.8%	
1,000 kWh	\$ 146.23	\$ 145.09	\$ (1.14)	-0.8%	
2,000 kWh	\$ 282.25	\$ 280.05	\$ (2.20)	-0.8%	
<u>Residential Service (Non-Summer)</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
0 kWh	\$ 10.22	\$ 10.14	\$ (0.08)	-0.8%	
250 kWh	\$ 40.24	\$ 39.92	\$ (0.32)	-0.8%	
500 kWh	\$ 70.26	\$ 69.71	\$ (0.55)	-0.8%	
900 kWh	\$ 118.29	\$ 117.37	\$ (0.92)	-0.8%	
1,000 kWh	\$ 130.30	\$ 129.28	\$ (1.02)	-0.8%	
2,000 kWh	\$ 250.38	\$ 248.43	\$ (1.95)	-0.8%	
<u>Residential Service Annualized</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
0 kWh	\$ 10.22	\$ 10.14	\$ (0.08)	-0.8%	
250 kWh	\$ 41.57	\$ 41.24	\$ (0.33)	-0.8%	
500 kWh	\$ 72.91	\$ 72.34	\$ (0.57)	-0.8%	
900 kWh	\$ 123.07	\$ 122.11	\$ (0.96)	-0.8%	
1,000 kWh	\$ 135.61	\$ 134.55	\$ (1.06)	-0.8%	
2,000 kWh	\$ 261.00	\$ 258.97	\$ (2.03)	-0.8%	

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at		Change in Bill	
	Monthly Bill at Current Energy Efficiency Rider	Proposed 2023 Energy Efficiency Rider		
<u>Residential Service TOU (Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
0 kWh	\$ 11.26	\$ 11.17	\$ (0.09)	-0.8%
250 kWh	\$ 49.52	\$ 49.13	\$ (0.39)	-0.8%
500 kWh	\$ 87.78	\$ 87.09	\$ (0.69)	-0.8%
900 kWh	\$ 126.04	\$ 125.06	\$ (0.98)	-0.8%
1,000 kWh	\$ 164.30	\$ 163.02	\$ (1.28)	-0.8%
2,000 kWh	\$ 317.35	\$ 314.87	\$ (2.48)	-0.8%
<u>Residential Service TOU (Non-Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
0 kWh	\$ 11.26	\$ 11.17	\$ (0.09)	-0.8%
250 kWh	\$ 37.52	\$ 37.23	\$ (0.29)	-0.8%
500 kWh	\$ 63.79	\$ 63.29	\$ (0.50)	-0.8%
900 kWh	\$ 90.06	\$ 89.36	\$ (0.70)	-0.8%
1,000 kWh	\$ 116.32	\$ 115.42	\$ (0.90)	-0.8%
2,000 kWh	\$ 221.39	\$ 219.66	\$ (1.73)	-0.8%
<u>Residential Service TOU Annualized</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
0 kWh	\$ 11.26	\$ 11.17	\$ (0.09)	-0.8%
250 kWh	\$ 41.52	\$ 41.20	\$ (0.32)	-0.8%
500 kWh	\$ 71.79	\$ 71.22	\$ (0.57)	-0.8%
900 kWh	\$ 102.05	\$ 101.26	\$ (0.79)	-0.8%
1,000 kWh	\$ 132.31	\$ 131.29	\$ (1.02)	-0.8%
2,000 kWh	\$ 253.38	\$ 251.40	\$ (1.98)	-0.8%

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at		Proposed 2023		
	Current Energy Efficiency Rider	Energy Efficiency Rider	Change in Bill		
<u>Residential Heat Service (Summer)</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
0 kWh	\$ 10.22	\$ 10.14	\$ (0.08)	-0.8%	
250 kWh	\$ 44.22	\$ 43.87	\$ (0.35)	-0.8%	
500 kWh	\$ 78.22	\$ 77.61	\$ (0.61)	-0.8%	
750 kWh	\$ 112.23	\$ 111.35	\$ (0.88)	-0.8%	
1,000 kWh	\$ 146.23	\$ 145.09	\$ (1.14)	-0.8%	
2,000 kWh	\$ 282.25	\$ 280.05	\$ (2.20)	-0.8%	
<u>Residential Heat Service (Non-Summer)</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
0 kWh	\$ 10.22	\$ 10.14	\$ (0.08)	-0.8%	
250 kWh	\$ 34.75	\$ 34.48	\$ (0.27)	-0.8%	
500 kWh	\$ 59.29	\$ 58.83	\$ (0.46)	-0.8%	
750 kWh	\$ 83.83	\$ 83.18	\$ (0.65)	-0.8%	
1,000 kWh	\$ 108.37	\$ 107.52	\$ (0.85)	-0.8%	
2,000 kWh	\$ 206.52	\$ 204.91	\$ (1.61)	-0.8%	
<u>Residential Heat Service Annualized</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
0 kWh	\$ 10.22	\$ 10.14	\$ (0.08)	-0.8%	
250 kWh	\$ 37.91	\$ 37.61	\$ (0.30)	-0.8%	
500 kWh	\$ 65.60	\$ 65.09	\$ (0.51)	-0.8%	
750 kWh	\$ 93.30	\$ 92.57	\$ (0.73)	-0.8%	
1,000 kWh	\$ 120.99	\$ 120.04	\$ (0.95)	-0.8%	
2,000 kWh	\$ 231.76	\$ 229.96	\$ (1.80)	-0.8%	

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at		Change in Bill	
	Monthly Bill at Current Energy Efficiency Rider	Proposed 2023 Energy Efficiency Rider		
<u>Small General Service (Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
0 kWh	\$ 17.62	\$ 17.48	\$ (0.14)	-0.8%
250 kWh	\$ 45.68	\$ 45.33	\$ (0.35)	-0.8%
500 kWh	\$ 73.75	\$ 73.18	\$ (0.57)	-0.8%
750 kWh	\$ 101.82	\$ 101.03	\$ (0.79)	-0.8%
1,100 kWh	\$ 141.12	\$ 140.02	\$ (1.10)	-0.8%
2,000 kWh	\$ 242.17	\$ 240.28	\$ (1.89)	-0.8%
<u>Small General Service (Non-Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
0 kWh	\$ 17.62	\$ 17.48	\$ (0.14)	-0.8%
250 kWh	\$ 42.26	\$ 41.93	\$ (0.33)	-0.8%
500 kWh	\$ 66.91	\$ 66.39	\$ (0.52)	-0.8%
750 kWh	\$ 91.56	\$ 90.85	\$ (0.71)	-0.8%
1,100 kWh	\$ 126.07	\$ 125.08	\$ (0.99)	-0.8%
2,000 kWh	\$ 214.80	\$ 213.12	\$ (1.68)	-0.8%
<u>Small General Service Annualized</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
0 kWh	\$ 17.62	\$ 17.48	\$ (0.14)	-0.8%
250 kWh	\$ 43.40	\$ 43.06	\$ (0.34)	-0.8%
500 kWh	\$ 69.19	\$ 68.65	\$ (0.54)	-0.8%
750 kWh	\$ 94.98	\$ 94.24	\$ (0.74)	-0.8%
1,100 kWh	\$ 131.09	\$ 130.06	\$ (1.03)	-0.8%
2,000 kWh	\$ 223.92	\$ 222.17	\$ (1.75)	-0.8%

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

	Monthly Bill at				
	Monthly Bill at	Proposed 2023			
	Current Energy	Energy Efficiency			
	Efficiency Rider	Rider			
Description			Change in Bill		
<u>Small General Service (TOU) Summer</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
0 kWh	\$ 18.66	\$ 18.51	\$ (0.15)	-0.8%	
250 kWh	\$ 50.70	\$ 50.30	\$ (0.40)	-0.8%	
500 kWh	\$ 82.74	\$ 82.09	\$ (0.65)	-0.8%	
750 kWh	\$ 114.78	\$ 113.88	\$ (0.90)	-0.8%	
1,100 kWh	\$ 146.82	\$ 145.67	\$ (1.15)	-0.8%	
2,000 kWh	\$ 274.98	\$ 272.83	\$ (2.15)	-0.8%	
<u>Small General Service (TOU) Non-Summer</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
0 kWh	\$ 18.66	\$ 18.51	\$ (0.15)	-0.8%	
250 kWh	\$ 39.83	\$ 39.52	\$ (0.31)	-0.8%	
500 kWh	\$ 61.01	\$ 60.54	\$ (0.47)	-0.8%	
750 kWh	\$ 82.19	\$ 81.55	\$ (0.64)	-0.8%	
1,100 kWh	\$ 103.36	\$ 102.56	\$ (0.80)	-0.8%	
2,000 kWh	\$ 188.07	\$ 186.60	\$ (1.47)	-0.8%	
<u>Small General Service (TOU) Annualized</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
0 kWh	\$ 18.66	\$ 18.51	\$ (0.15)	-0.8%	
250 kWh	\$ 43.45	\$ 43.11	\$ (0.34)	-0.8%	
500 kWh	\$ 68.25	\$ 67.72	\$ (0.53)	-0.8%	
750 kWh	\$ 93.05	\$ 92.33	\$ (0.72)	-0.8%	
1,100 kWh	\$ 117.85	\$ 116.93	\$ (0.92)	-0.8%	
2,000 kWh	\$ 217.04	\$ 215.34	\$ (1.70)	-0.8%	

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at		Proposed 2023	
	Current Energy Efficiency Rider	Energy Efficiency Rider		
Change in Bill				
<u>Secondary General Service (Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 374.31	\$ 371.39	\$ (2.92)	-0.8%
7,500 kWh and 35 kW	\$ 1,160.03	\$ 1,150.99	\$ (9.04)	-0.8%
15,000 kWh and 45 kW	\$ 1,720.82	\$ 1,707.40	\$ (13.42)	-0.8%
30,000 kWh and 100 kW	\$ 3,628.95	\$ 3,600.65	\$ (28.30)	-0.8%
<u>Secondary General Service (Non-Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 336.03	\$ 333.41	\$ (2.62)	-0.8%
7,500 kWh and 35 kW	\$ 1,048.40	\$ 1,040.22	\$ (8.18)	-0.8%
15,000 kWh and 45 kW	\$ 1,577.29	\$ 1,564.99	\$ (12.30)	-0.8%
30,000 kWh and 100 kW	\$ 3,309.99	\$ 3,284.18	\$ (25.81)	-0.8%
<u>Secondary General Service Annualized</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 348.79	\$ 346.07	\$ (2.72)	-0.8%
7,500 kWh and 35 kW	\$ 1,085.61	\$ 1,077.14	\$ (8.47)	-0.8%
15,000 kWh and 45 kW	\$ 1,625.13	\$ 1,612.46	\$ (12.67)	-0.8%
30,000 kWh and 100 kW	\$ 3,416.31	\$ 3,389.67	\$ (26.64)	-0.8%

Southwestern Public Service Company

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at Current Energy Efficiency Rider	Monthly Bill at Proposed 2023 Energy Efficiency Rider		Change in Bill	
<u>Secondary General Service (TOU) Summer</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
1,500 kWh and 12 kW	\$ 343.43	\$ 340.75	\$ (2.68)	-0.8%	
7,500 kWh and 35 kW	\$ 1,206.82	\$ 1,197.41	\$ (9.41)	-0.8%	
15,000 kWh and 35 kW	\$ 1,880.89	\$ 1,866.22	\$ (14.67)	-0.8%	
30,000 kWh and 100 kW	\$ 4,145.05	\$ 4,112.73	\$ (32.32)	-0.8%	
<u>Secondary General Service (TOU) Non-Summer</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
1,500 kWh and 12 kW	\$ 275.83	\$ 273.68	\$ (2.15)	-0.8%	
7,500 kWh and 35 kW	\$ 868.80	\$ 862.03	\$ (6.77)	-0.8%	
15,000 kWh and 35 kW	\$ 1,204.85	\$ 1,195.46	\$ (9.39)	-0.8%	
30,000 kWh and 100 kW	\$ 2,792.98	\$ 2,771.20	\$ (21.78)	-0.8%	
<u>Secondary General Service (TOU) Annualized</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
1,500 kWh and 12 kW	\$ 298.36	\$ 296.04	\$ (2.32)	-0.8%	
7,500 kWh and 35 kW	\$ 981.47	\$ 973.82	\$ (7.65)	-0.8%	
15,000 kWh and 35 kW	\$ 1,430.20	\$ 1,419.05	\$ (11.15)	-0.8%	
30,000 kWh and 100 kW	\$ 3,243.67	\$ 3,218.38	\$ (25.29)	-0.8%	

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at		Change in Bill	
	Current Energy Efficiency Rider	Proposed 2023 Energy Efficiency Rider		
<u>Irrigation Service (Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 211.83	\$ 210.18	\$ (1.65)	-0.8%
7,500 kWh and 35 kW	\$ 876.47	\$ 869.64	\$ (6.83)	-0.8%
15,000 kWh and 35 kW	\$ 1,617.07	\$ 1,604.47	\$ (12.60)	-0.8%
30,000 kWh and 100 kW	\$ 3,302.21	\$ 3,276.47	\$ (25.74)	-0.8%
<u>Irrigation Service (Non-Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 205.57	\$ 203.97	\$ (1.60)	-0.8%
7,500 kWh and 35 kW	\$ 858.23	\$ 851.54	\$ (6.69)	-0.8%
15,000 kWh and 35 kW	\$ 1,598.83	\$ 1,586.37	\$ (12.46)	-0.8%
30,000 kWh and 100 kW	\$ 3,250.09	\$ 3,224.75	\$ (25.34)	-0.8%
<u>Irrigation Service Annualized</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 207.66	\$ 206.04	\$ (1.62)	-0.8%
7,500 kWh and 35 kW	\$ 864.31	\$ 857.57	\$ (6.74)	-0.8%
15,000 kWh and 35 kW	\$ 1,604.91	\$ 1,592.40	\$ (12.51)	-0.8%
30,000 kWh and 100 kW	\$ 3,267.46	\$ 3,241.99	\$ (25.47)	-0.8%

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at		Proposed 2023	
	Current Energy Efficiency Rider	Energy Efficiency Rider		
Change in Bill				
<u>Irrigation Service (TOU) Summer</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 268.01	\$ 265.92	\$ (2.09)	-0.8%
7,500 kWh and 35 kW	\$ 1,169.37	\$ 1,160.25	\$ (9.12)	-0.8%
15,000 kWh and 35 kW	\$ 2,224.44	\$ 2,207.10	\$ (17.34)	-0.8%
30,000 kWh and 100 kW	\$ 4,496.52	\$ 4,461.46	\$ (35.06)	-0.8%
<u>Irrigation Service (TOU) Non-Summer</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 176.66	\$ 175.28	\$ (1.38)	-0.8%
7,500 kWh and 35 kW	\$ 712.61	\$ 707.05	\$ (5.56)	-0.8%
15,000 kWh and 35 kW	\$ 1,310.92	\$ 1,300.70	\$ (10.22)	-0.8%
30,000 kWh and 100 kW	\$ 2,669.47	\$ 2,648.66	\$ (20.81)	-0.8%
<u>Irrigation Service (TOU) Annualized</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 207.11	\$ 205.49	\$ (1.62)	-0.8%
7,500 kWh and 35 kW	\$ 864.86	\$ 858.12	\$ (6.74)	-0.8%
15,000 kWh and 35 kW	\$ 1,615.43	\$ 1,602.83	\$ (12.60)	-0.8%
30,000 kWh and 100 kW	\$ 3,278.49	\$ 3,252.93	\$ (25.56)	-0.8%

Southwestern Public Service Company

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at		Proposed 2023	
	Current Energy Efficiency Rider	Energy Efficiency Rider	Change in Bill	
<u>Primary General Service Summer</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 370.73	\$ 367.84	\$ (2.89)	-0.8%
7,500 kWh and 35 kW	\$ 1,110.52	\$ 1,101.86	\$ (8.66)	-0.8%
15,000 kWh and 35 kW	\$ 1,376.25	\$ 1,365.52	\$ (10.73)	-0.8%
35,000 kWh and 80 kW	\$ 3,116.35	\$ 3,092.05	\$ (24.30)	-0.8%
<u>Primary General Service Non-Summer</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 324.83	\$ 322.29	\$ (2.54)	-0.8%
7,500 kWh and 35 kW	\$ 976.62	\$ 969.01	\$ (7.61)	-0.8%
15,000 kWh and 35 kW	\$ 1,242.36	\$ 1,232.68	\$ (9.68)	-0.8%
35,000 kWh and 80 kW	\$ 2,810.32	\$ 2,788.40	\$ (21.92)	-0.8%
<u>Primary General Service Annualized</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
1,500 kWh and 12 kW	\$ 340.13	\$ 337.48	\$ (2.65)	-0.8%
7,500 kWh and 35 kW	\$ 1,021.25	\$ 1,013.29	\$ (7.96)	-0.8%
15,000 kWh and 35 kW	\$ 1,286.99	\$ 1,276.96	\$ (10.03)	-0.8%
35,000 kWh and 80 kW	\$ 2,912.33	\$ 2,889.62	\$ (22.71)	-0.8%

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Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at Current Energy Efficiency Rider	Monthly Bill at Proposed 2023 Energy Efficiency Rider	Change in Bill
Large General Service - Transmission 69 kV Summer			
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change Proposed % Change
500,000 kWh and 800 kW	\$ 31,156.76	\$ 30,913.83	\$ (242.93) -0.8%
1,000,000 kWh and 1,600 kW	\$ 59,558.79	\$ 59,094.41	\$ (464.38) -0.8%
4,000,000 kWh and 6,300 kW	\$ 233,237.75	\$ 233,237.75	\$ (0.00) 0.0%
8,000,000 kWh and 13,000 kW	\$ 459,121.71	\$ 459,121.71	\$ 0.00 0.0%
Large General Service - Transmission 69 kV Non-Summer			
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change Proposed % Change
500,000 kWh and 800 kW	\$ 29,013.68	\$ 28,787.46	\$ (226.22) -0.8%
1,000,000 kWh and 1,600 kW	\$ 55,540.51	\$ 55,107.46	\$ (433.05) -0.8%
4,000,000 kWh and 6,300 kW	\$ 217,546.81	\$ 217,546.81	\$ 0.00 0.0%
8,000,000 kWh and 13,000 kW	\$ 427,739.84	\$ 427,739.84	\$ 0.00 0.0%
Large General Service - Transmission 69 kV Annualized			
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change Proposed % Change
500,000 kWh and 800 kW	\$ 29,728.04	\$ 29,496.25	\$ (231.79) -0.8%
1,000,000 kWh and 1,600 kW	\$ 56,879.94	\$ 56,436.44	\$ (443.50) -0.8%
4,000,000 kWh and 6,300 kW	\$ 222,777.12	\$ 222,777.12	\$ - 0.0%
8,000,000 kWh and 13,000 kW	\$ 438,200.46	\$ 438,200.46	\$ - 0.0%

Southwestern Public Service Company

New Mexico Retail

Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at Current Energy Efficiency Rider	Monthly Bill at Proposed 2023 Energy Efficiency Rider	Change in Bill
Large General Service - Transmission 115 kV+ Summer			
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change Proposed % Change
500,000 kWh and 800 kW	\$ 30,685.92	\$ 30,446.66	\$ (239.26) -0.8%
1,000,000 kWh and 1,600 kW	\$ 60,222.33	\$ 59,752.77	\$ (469.56) -0.8%
4,000,000 kWh and 6,300 kW	\$ 232,717.59	\$ 232,717.59	\$ (0.00) 0.0%
7,600,000 kWh and 12,000 kW	\$ 436,003.22	\$ 436,003.22	\$ 0.00 0.0%
Large General Service - Transmission 115 kV+ Non-Summer			
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change Proposed % Change
500,000 kWh and 800 kW	\$ 28,584.53	\$ 28,361.66	\$ (222.87) -0.8%
1,000,000 kWh and 1,600 kW	\$ 56,019.55	\$ 55,582.76	\$ (436.79) -0.8%
4,000,000 kWh and 6,300 kW	\$ 216,827.47	\$ 216,827.47	\$ 0.00 0.0%
7,600,000 kWh and 12,000 kW	\$ 405,736.34	\$ 405,736.34	\$ (0.00) 0.0%
Large General Service - Transmission 115 kV+ Annualized			
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change Proposed % Change
500,000 kWh and 800 kW	\$ 29,284.99	\$ 29,056.66	\$ (228.33) -0.8%
1,000,000 kWh and 1,600 kW	\$ 57,420.48	\$ 56,972.77	\$ (447.71) -0.8%
4,000,000 kWh and 6,300 kW	\$ 222,124.18	\$ 222,124.18	\$ - 0.0%
7,600,000 kWh and 12,000 kW	\$ 415,825.30	\$ 415,825.30	\$ - 0.0%

Southwestern Public Service Company

New Mexico Retail

Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at	Monthly Bill at		
	Current Energy Efficiency Rider	Proposed 2023 Energy Efficiency Rider	Change in Bill	
<u>Large Municipal and School Service (Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
10,000 kWh and 30 kW	\$ 992.96	\$ 985.22	\$ (7.74)	-0.8%
20,000 kWh and 45 kW	\$ 1,689.63	\$ 1,676.46	\$ (13.17)	-0.8%
30,000 kWh and 75 kW	\$ 2,637.88	\$ 2,617.31	\$ (20.57)	-0.8%
<u>Large Municipal and School Service (Non-Summer)</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
10,000 kWh and 30 kW	\$ 909.16	\$ 902.07	\$ (7.09)	-0.8%
20,000 kWh and 45 kW	\$ 1,563.93	\$ 1,551.73	\$ (12.20)	-0.8%
30,000 kWh and 75 kW	\$ 2,428.36	\$ 2,409.43	\$ (18.93)	-0.8%
<u>Large Municipal and School Service Annualized</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
10,000 kWh and 30 kW	\$ 937.09	\$ 929.79	\$ (7.30)	-0.8%
20,000 kWh and 45 kW	\$ 1,605.83	\$ 1,593.31	\$ (12.52)	-0.8%
30,000 kWh and 75 kW	\$ 2,498.20	\$ 2,478.72	\$ (19.48)	-0.8%

Southwestern Public Service Company

New Mexico Retail

Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at	Monthly Bill at	Change in Bill	
	Current Energy Efficiency Rider	Proposed 2023 Energy Efficiency Rider		
<u>Large Municipal and School Service (TOU) Summer</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
10,000 kWh and 30 kW	\$ 1,168.39	\$ 1,159.28	\$ (9.11)	-0.8%
20,000 kWh and 45 kW	\$ 2,130.02	\$ 2,113.42	\$ (16.60)	-0.8%
30,000 kWh and 75 kW	\$ 3,251.61	\$ 3,226.26	\$ (25.35)	-0.8%
<u>Large Municipal and School Service (TOU) Non-Summer</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
10,000 kWh and 30 kW	\$ 811.80	\$ 805.47	\$ (6.33)	-0.8%
20,000 kWh and 45 kW	\$ 1,416.85	\$ 1,405.80	\$ (11.05)	-0.8%
30,000 kWh and 75 kW	\$ 2,181.85	\$ 2,164.84	\$ (17.01)	-0.8%
<u>Large Municipal and School Service (TOU) Annualized</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
10,000 kWh and 30 kW	\$ 930.66	\$ 923.41	\$ (7.25)	-0.8%
20,000 kWh and 45 kW	\$ 1,654.57	\$ 1,641.67	\$ (12.90)	-0.8%
30,000 kWh and 75 kW	\$ 2,538.44	\$ 2,518.65	\$ (19.79)	-0.8%

Southwestern Public Service Company

New Mexico Retail

Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at		Proposed 2023		Change in Bill
	Current Energy Efficiency Rider	Energy Efficiency Rider			
<u>Small Municipal and School Service (Summer)</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
500 kWh	\$ 67.09	\$ 66.56	\$ (0.53)	-0.8%	
1,000 kWh	\$ 116.87	\$ 115.96	\$ (0.91)	-0.8%	
2,000 kWh	\$ 216.44	\$ 214.75	\$ (1.69)	-0.8%	
<u>Small Municipal and School Service (Non-Summer)</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
500 kWh	\$ 61.30	\$ 60.83	\$ (0.47)	-0.8%	
1,000 kWh	\$ 105.31	\$ 104.48	\$ (0.83)	-0.8%	
2,000 kWh	\$ 193.31	\$ 191.80	\$ (1.51)	-0.8%	
<u>Small Municipal and School Service Annualized</u>					
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change	
500 kWh	\$ 63.23	\$ 62.74	\$ (0.49)	-0.8%	
1,000 kWh	\$ 109.16	\$ 108.31	\$ (0.85)	-0.8%	
2,000 kWh	\$ 201.02	\$ 199.45	\$ (1.57)	-0.8%	

Southwestern Public Service Company

New Mexico Retail

Comparison of Customer Bills with Current EE Rider to Bills with Proposed 2023 EE Rider

Description	Monthly Bill at	Monthly Bill at	Change in Bill	
	Current Energy Efficiency Rider	Proposed 2023 Energy Efficiency Rider		
<u>Small Municipal and School Service (TOU) Summer</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
500 kWh	\$ 74.27	\$ 73.69	\$ (0.58)	-0.8%
1,000 kWh	\$ 130.19	\$ 129.18	\$ (1.01)	-0.8%
2,000 kWh	\$ 242.04	\$ 240.15	\$ (1.89)	-0.8%
<u>Small Municipal and School Service (TOU) Non-Summer</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
500 kWh	\$ 56.79	\$ 56.35	\$ (0.44)	-0.8%
1,000 kWh	\$ 95.23	\$ 94.49	\$ (0.74)	-0.8%
2,000 kWh	\$ 172.12	\$ 170.78	\$ (1.34)	-0.8%
<u>Small Municipal and School Service (TOU) Annualized</u>				
Consumption Level	Monthly Bill Current	Monthly Bill Proposed	Proposed \$ Change	Proposed % Change
500 kWh	\$ 62.62	\$ 62.13	\$ (0.49)	-0.8%
1,000 kWh	\$ 106.88	\$ 106.05	\$ (0.83)	-0.8%
2,000 kWh	\$ 195.43	\$ 193.90	\$ (1.53)	-0.8%

SOUTHWESTERN PUBLIC SERVICE COMPANY

**EIGHTEENTH REVISED RATE NO. 44
CANCELING SEVENTEENTH REVISED RATE NO. 44**

**X
X**

ENERGY EFFICIENCY RIDER

Page 1 of 2

APPLICABLE: This rate rider is applicable to bills for electric service provided under all SPS's retail rate schedules.

TERRITORY: Area served by the Company in New Mexico.

RIDER: For the 2023 Plan Year, there shall be included on each non-exempt customer's bill an Energy Efficiency charge, which shall be calculated by multiplying all of the Company's utility charges (including the service availability charge, energy charge, the fuel and purchased power cost adjustment clause charge, and where applicable, the demand charge and other authorized charges), except gross-receipt taxes and franchise fees, by 3.331%. The 3.331% is comprised of: (1) 3.043% for SPS's 2023 Energy Efficiency Plan costs; (2) 0.253% for SPS's 2023 energy efficiency incentive; and (3) 0.035% for the remaining actual potential study cost to be collected in 2023.

**X
X
X
X**

For customer accounts granted exemption for self-direct programs as described below, the Energy Efficiency Rider percentage shall be reduced by seventy percent.

ANNUAL RECONCILIATION OF AUTHORIZED ENERGY EFFICIENCY INCENTIVES:

Upon the filing of SPS's annual application and annual report in compliance with the Commission's Energy Efficiency Rule (17.7.2 NMAC), SPS will also file the calculation of incentives earned as authorized by Sections 62-17-5(F) and 62-17-6(A) of the Efficient Use of Energy Act; and revenue received through the Energy Efficiency Rider for collection of incentives. SPS is authorized to reconcile the difference between Energy Efficiency Rider collections for incentive(s) and the actual incentive(s) earned

In support of the reconciliation of the difference between Energy Efficiency Rider collections for incentive(s) and the actual incentive(s) earned SPS will also provide: (1) an Advice Notice and the proposed Energy Efficiency Rider to allow the amounts to be reconciled; and (2) affidavits, exhibits, and/or other support for the Advice Notice and the amount to be reconciled.

INTEREST ON OVER AND UNDER RECOVERY: In accordance with section 62-13-13 NMSA 1978 of the Public Utility Act, SPS will use the interest rate set by the NMPRC each January used for calculating interest on customer deposits, to calculate the monthly carrying charges on the over or under recovery balance.

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X

Advice Notice No.

/s/ William A. Grant

REGIONAL VICE PRESIDENT – RATES &
REGULATORY AFFAIRS

SOUTHWESTERN PUBLIC SERVICE COMPANY

**EIGHTEENTH REVISED RATE NO. 44
CANCELING SEVENTEENTH REVISED RATE NO. 44**

**X
X**

ENERGY EFFICIENCY RIDER

Page 2 of 2

STATUTORY CAPS: Funding for program costs for investor-owned electric utilities shall be between three and 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. Customer means a utility customer at a single, contiguous field, location or facility, regardless of the number of meters at that field, location or facility.

X

DETERMINATION OF ENERGY EFFICIENCY RIDER EXEMPTION: As described in 17.7.2.11 NMAC, a large customer shall receive an exemption from paying seventy percent of the Energy Efficiency Rider if the customer demonstrates to the reasonable satisfaction of the utility or self-direct program administrator that it has exhausted all cost-effective energy efficiency measures in its facility (or group if facilities are aggregated in order to qualify). A determination of exemption shall be valid for 24 months. After the 24 months, a customer may request approval for exemption again by demonstrating that it has exhausted all cost-effective energy efficiency measures in its facility or facilities.

CREDITS FOR SELF-DIRECT PROGRAMS: Credits for self-direct programs may be used to offset up to seventy percent of the tariff rider until the credit is exhausted. Any credit that is not fully utilized in the year it is received shall carry over to subsequent years. Credits will be granted if the customer demonstrates to the reasonable satisfaction of the utility or self-direct program administrator that it has implemented a self-direct energy efficiency program and demonstrated its actual costs.

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Advice Notice No.

/s/ William A. Grant

**REGIONAL VICE PRESIDENT – RATES &
REGULATORY AFFAIRS**

Attachment RML-4

**Workpapers are provided
electronically**