

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY'S)
APPLICATION FOR AUTHORIZATION OF)
LARGE CUSTOMER RENEWABLE*CONNECT)
PROGRAM AND TARIFF, AND OTHER)
ASSOCIATED RELIEF,)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
APPLICANT.)
_____)**

Case No. 23-00 ____-UT

DIRECT TESTIMONY

of

RUTH M. SAKYA

on behalf of

SOUTHWESTERN PUBLIC SERVICE COMPANY

August 11, 2023

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GLOSSARY OF ACRONYMS AND DEFINED TERMS

<u>Acronym/Defined Term</u>	<u>Meaning</u>
Commission or NMPRC	New Mexico Public Regulation Commission
FPPCAC	Fuel & Purchased Power Cost Adjustment Clause
IT	Information Technology
LGS-T	Large General Service – Transmission
kV	Kilovolt
IT	Information Technology
kW	Kilowatt
kWh	Kilowatt-hour
LMP	Locational Marginal Prices
MW	Megawatt(s)
MWh	Megawatt-hour
NMPRC	New Mexico Public Regulation Commission
PPA	Purchase Power Agreement(s)
PUCT	Public Utility Commission of Texas
R*C	Renewable*Connect
R*C-I	Renewable*Connect Phase I
REA	Renewable Energy Act
RECs	Renewable Energy Certificates
Roswell-Chaves Solar Facilities	NextEra Energy Resources Acquisition, LLC, Roswell Solar LLC, Chaves County Solar, LLC

<u>Acronym/Defined Term</u>	<u>Meaning</u>
RPS	Renewable Portfolio Standards
Rule 572	NMPRC Renewable Energy Rule; 17.9.572 NMAC
Solar*Connect	Commission-approved Solar*Connect Community
Southwest Power Pool	Southwest Power Pool, Inc.
SPS	Southwestern Public Service Company
TCR	Transmission Congestion Rights
WREGIS	Western Renewable Energy Generation Information System
XES	Xcel Energy Services Inc.
Xcel Energy	Xcel Energy Inc.

LIST OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
Attachment RMS-1	Estimated 2025 Total R*C-I Charge Development (Filename: <i>Attachments RMS-1,2,4,5.xlsx</i>)
Attachment RMS-2	R*C-I Charge and Credits Illustrative Calculations (Filename: <i>Attachments RMS-1,2,4,5.xlsx</i>)
Attachment RMS-3	Proposed Form of R*C Rate Rider and Estimated 2025 Amounts (Filename: <i>Attachment RMS-3.docx</i>)
Attachment RMS-4	Bill Comparison (Filename: <i>Attachments RMS-1,2,4,5.xlsx</i>)
Attachment RMS-5	Workpapers (Filename: <i>Attachments RMS-1,2,4,5.xlsx</i>)

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1 **I. WITNESS IDENTIFICATION AND QUALIFICATIONS**

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

3 A. My name is Ruth M. Sakya. My business address is 119 E. Marcy Street, Suite
4 202, Santa Fe, New Mexico 87501.

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 electric utility subsidiary of Xcel
8 Energy Inc. (“Xcel Energy”).

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

10 A. I am employed by SPS as a Manager, Regulatory Administration.

11 **Q. Please briefly outline your responsibilities as Manager, Regulatory**
12 **Administration.**

13 A. I am responsible for determining the appropriate regulatory policy for SPS. In this
14 role, I direct and prepare comments, testimony, and briefing materials for policy
15 matters impacting SPS and advocate on behalf of SPS and its customers before the
16 New Mexico Public Regulation Commission (“Commission” or “NMPRC”), the
17 Public Utility Commission of Texas (“PUCT”), and Southwest Power Pool, Inc.
18 (“Southwest Power Pool”).

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

2 A. I began my career in 1999 as an intern with the Illinois Commerce Commission and
3 in 2000 joined the PUCT as a Senior Policy Analyst. I have held various other
4 positions, including Rate Analyst at a multijurisdictional electric and gas utility,
5 and Senior Analyst and Supervising Analyst with a consulting firm specializing in
6 services to regulatory agencies and municipal entities. In 2004, I accepted a
7 position with Xcel Energy Services Inc. (“XES”) as Senior Rate Analyst. In 2007,
8 I accepted a position with XES as Manager, Regulatory Policy. Beginning January
9 1, 2012, my position as Manager, Regulatory Policy was transferred to SPS, where
10 my job responsibilities continued to be the same as they were since 2007. In April
11 2018, I became Manager, Regulatory Administration.

12 **Q. Have you testified before any regulatory authorities?**

13 A. Yes. I have filed testimony with, and testified before, the Commission, the PUCT,
14 and the Colorado Public Utilities Commission in numerous cases. The testimonies
15 covered topics including renewable energy, voluntary program development,
16 energy efficiency, and grid modernization, among other subjects.

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1 **Q. Please describe your education.**

2 A. I graduated from the University of Wyoming in 1998 with a Bachelor of Science
3 degree in Finance, and received a Master of Science degree in Finance with an
4 emphasis in Regulatory Economics in 2001. I have completed the coursework and
5 successfully passed the qualifying exams for a Ph.D. in Public Affairs from the
6 University of Colorado, Denver.

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1 **II. PURPOSE AND SUMMARY OF TESTIMONY**

2 **Q. Please briefly describe the proposed Large Customer Renewable*Connect**
3 **program.**

4 **A.** The proposed Large Customer Renewable*Connect (“R*C”) program affords
5 SPS’s large commercial and industrial customers the option, pursuant to a regulated
6 tariff, to acquire a portion of their capacity and energy needs specifically from clean
7 energy resources. SPS will supply the initial phase of the program, referred to as
8 Renewable Connect-I (“R*C-I”), with the existing approximately 80 megawatts
9 (“MW”) of non-jurisdictional generating capacity associated with the solar
10 generation facilities underlying two purchased power agreements (“PPAs”)
11 between SPS and Roswell Solar, LLC and Chaves County Solar, LLC (collectively
12 referred to as the “Roswell-Chaves Solar Facilities”).¹

¹ The approximately 80 MW portion of the Roswell-Chaves Solar Facilities’ generating capacity is “non-jurisdictional,” as discussed by SPS witness Brooke A. Trammell.

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

2 A. My testimony:

- 3 • describes SPS’s proposed formula for calculating and applying the
4 customer (subscriber) charge for the proposed R*C-I program phase;
- 5 • discusses the calculation of the estimated R*C-I charge (Attachment
6 RMS-1) and monthly bill credits for the first year of the proposed program
7 (2025);
- 8 • describes the proposed monthly bill credits that R*C-I subscribers will
9 receive (Attachment RMS-2);
- 10 • describes the methodology for calculating the monthly credit/charge for
11 unused energy (Attachment RMS-2);²
- 12 • presents the form of the proposed tariff, the R*C Rate Rider (Attachment
13 RMS-3), and SPS’s proposed process for implementing and annually
14 updating the charge and credit components of the R*C Rate Rider as part
15 of SPS’s annual Renewable Portfolio Standard (“RPS”) filings beginning
16 in 2024; and
- 17 • provides estimated bill impacts for 2025 (the first year of the program) for
18 customers (subscribers) who choose to participate in the R*C-I phase of
19 the program (Attachment RMS-4).

² As discussed further below, a customer subscribing to the program may have “unused energy” in a month in which the customer consumes less energy than the volume of energy produced by and allocated to the customer in accordance with the customer’s subscribed generation share (per MW) of the Roswell-Chaves Solar Facilities’ non-jurisdictional capacity. A subscribing customer’s monthly renewable energy allocation (in megawatt-hours (“MWh”)) will be determined by multiplying their subscription share percentage—i.e., the ratio of the their subscribed generation share (in MW) to the total non-jurisdictional generating capacity of the Roswell-Chaves Solar Facilities (~80 MW currently)—by the actual monthly non-jurisdictional output of the Roswell-Chaves Solar Facilities.

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1 **Q. Please summarize the conclusions reached in your testimony.**

2 A. As discussed further below I conclude as follows:

- 3 • SPS's proposed formula for calculating the R*C-I charge are reasonably
4 designed to recover the costs for administering the program from customers
5 who subscribe to purchase additional amounts of renewable energy through
6 the program, while insulating costs to non-subscribing customers;
- 7 • SPS's proposed monthly bill credits for R*C-I subscribing customers are
8 reasonable and consistent with sound regulatory practices and principles,
9 including the methodology for calculating the credit (or in some instances
10 charge) for any unused energy;
- 11 • the form of SPS's proposed tariff, the R*C Rate Rider, is reasonable and
12 generally consistent with the Commission-approved Solar*Connect
13 Community ("Solar*Connect") Rate Rider, the tariff for SPS's existing
14 voluntary renewable energy purchase program; and
- 15 • SPS's plan for implementing the R*C Rate Rider, reconciling previous
16 costs and revenues, and annually updating its charge and credit components
17 is reasonable and consistent with the Commission-approved process for
18 updating the Solar*Connect Rate Rider.

19 **Q. Were Attachments RMS-1 through RMS-5 prepared by you or under your**
20 **direct supervision or control?**

21 A. Yes.

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1 **III. DETERMINATION OF RENEWABLE*CONNECT RATES**

2 **Q. Please describe, in general, the monthly R*C rate components.**

3 A. In general, R*C subscribers will pay a monthly dollar (“\$”) per MWh charge for
4 renewable energy purchased through the R*C program. The monthly charge is
5 designed to recover SPS’s costs of acquiring renewable resources and SPS’s costs
6 of administering and implementing the program. Subscribers will also receive
7 monthly bill credits. Below, I present the formula for calculating the R*C-I charge
8 and describe the individual charge components. I also describe the proposed R*C-
9 I monthly bill credits and explain how each is calculated. Finally, I present the
10 formula for calculating the charge/credit for any subscribed but unused energy in a
11 particular month.

12 **Q. What is the formula for calculating the R*C-I charge?**

13 A. The R*C-I charge is calculated as follows:

14 **$R^*C\text{-}I \text{ charge} = (A + B + C) * D$, where:**

15 A. \$/MWh, total Cost of the Renewable*Connect resource(s);

16 B. \$/MWh, total resource(s) Net Curtailment and Congestion
17 costs;

18 C. \$/MWh, incremental program-specific Administration
19 costs; and

20 D. Full Subscription Incentive Charge applied to 10-year term
21 subscriptions.

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1 SPS witness, Brooke A. Trammell discusses the reasonableness of each of these
2 charge components in her direct testimony.

3 **Q. What are the credits that will be applied to a subscriber's monthly bill during**
4 **the R*C-I program phase?**

5 A. R*C-I program phase subscribing customers will receive four credits applied to
6 their monthly bill: a demand charge credit; an energy charge credit; a Fuel and
7 Purchased Power Cost Adjustment Clause ("FPPCAC") charge credit; and a RPS
8 Cost Rider charge credit.

9 Ms. Trammell discusses the necessity and reasonableness of each of these
10 credits in her direct testimony.

11 **Q. How will SPS apply the R*C-I charge and monthly credits to a subscribing**
12 **customer's bill?**

13 A. The R*C-I charge and credits will be applied to subscribing customers' monthly
14 bills on top of their established Large General Service – Transmission ("LGS-T")
15 tariff charges (Rate No. 34). Therefore, the R*C-I charge will be applied to the
16 subscribing customer's monthly R*C-I renewable energy allocation during the
17 applicable billing period. With the exception of the proposed demand charge credit,
18 the monthly bill credits will each be applied to the subscribing customer's monthly

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1 bill on a \$/MWh basis, based on the portion of the customer's monthly R*C-I
2 renewable energy allocation consumed during the applicable billing period. The
3 demand charge credit will be applied on the customer's monthly bill on a dollar per
4 kilowatt ("kW") basis, based on the customer's subscribed generation share of the
5 Roswell-Chaves Solar Facilities' non-jurisdictional SPP accredited generating
6 capacity. I provide various example calculations of a subscribing customer's total
7 monthly charge for renewable energy acquired during the R*C-I program phase
8 and the corresponding monthly credits as Attachment RMS-4 and in my
9 workpapers (Attachment RMS-5).

A. R*C-I Charge Cost Components

10 **Q. Please describe how the resource cost charge component (A) is calculated and**
11 **applied in the R*C-I charge formula.**

12 A. The resource cost charge component in the R*C-I formula is calculated using the
13 combined cost of the energy and renewable energy certificates ("RECs") acquired
14 under the Roswell-Chaves Solar Facilities PPAs on a per MWh basis (Attachment
15 RMS-1, line 1).³ The R*C-I resource cost component is composed of the weighted

³ SPS will need to execute its REC Option to acquire the RECs associated with the R*C-I resources. Under the REC Option, SPS will begin receiving the associated RECs one year from the date of notice of intent to exercise the option.

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1 average cost of the separate annual charges for the Roswell-Chaves Solar Facilities
2 PPAs, each of which escalate at 2 percent yearly (though at different times during
3 the year as the Roswell-Chaves Solar Facilities PPAs annual charges escalate at
4 different times during the year). The Roswell-Chaves Solar Facilities PPAs annual
5 charges as well as the calculation of the R*C-I weighted average resource costs are
6 provided in Attachment RMS-5 (workpapers).

7 SPS will true up the resource costs every year, based on actual costs
8 incurred, for inclusion as a reconciling line item in the R*C-I charge for the
9 subsequent calendar year.⁴

10 **Q. Please describe the curtailment and congestion cost component (B) of the**
11 **R*C-I charge formula.**

12 A. Annually, SPS will calculate the curtailment and congestion charges based on the
13 prior period actual charges and, going forward, reconcile the actual amounts in the
14 annual update filings, which I describe in Section IV of my testimony. Below, I
15 identify the estimated amounts for inclusion in the 2025 R*C-I charge for
16 curtailment and congestion costs, inclusive of the offsetting credit for Transmission

⁴ Similar to SPS's RPS Cost Rider, there is a lag between the reconciliation of actual charges to the projected charges. For example, in SPS's calculation of the 2027 R*C-I charge, SPS will file the rate in 2026 and reconcile costs from 2025.

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1 Congestion Rights (“TCR”) revenue and describe how SPS calculated those
2 amounts.⁵

3 Ms. Trammell supports the reasonableness of the compensation for
4 Southwest Power Pool curtailment and congestion charges related to the production
5 of energy from the Roswell-Chaves Solar Facilities, as well as the offsetting credit
6 for the Southwest Power Pool integrated market TCR revenue.

7 **Q. Please describe how the TCR revenue credit component of the curtailment and**
8 **congestion costs will be calculated.**

9 A. SPS calculates the R*C-I customer percentage by dividing the R*C-I loss adjusted
10 MWh by total New Mexico retail loss adjusted MWh. To that percentage the New
11 Mexico TCR revenue is multiplied. *See* Attachment RMS-1, lines 2 through 5, for
12 the estimated individual curtailment and congestion cost components for 2025..*See*
13 Attachment RMS-5 (workpapers) for the detailed calculation of each cost
14 component.

15 SPS will annually reconcile and update the TCR revenue credit calculation
16 for inclusion in the R*C-I charge.

⁵ SPS will provide an updated rate, for use in 2025, in its 2024 RPS filing.

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1 **Q. Please describe the administration costs (C) that SPS has included in the R*C-I**
2 **charge formula.**

3 A. SPS has included incremental administrative costs necessary for program
4 implementation and administration. These costs, which I describe below, are
5 specific to the R*C program and are not being collected through other rates or SPS
6 will not collect as a result of the various credits. Ms. Trammell supports the
7 reasonableness and necessity of including these costs in the R*C-I charge.

8 The specific administration cost components are as follows:

- 9 • **TCR Auction Administration Expenses** – These are the costs associated
10 with running the TCR auction. SPS has estimated \$194,566 as the total SPS
11 annual auction administration costs and allocated a portion of those costs to
12 the R*C-I charge (\$1,358). SPS will update these costs annually for
13 inclusion in the R*C-I charge for the subsequent calendar year.
- 14 • **Incremental REC Accounting & Management** – SPS has estimated an
15 annual budget of \$8,447 for this administrative-related cost specifically for
16 the certifying, registering, and accounting for RECs associated with the
17 implementation of the R*C-I program. SPS proposes to include only costs
18 associated with the Roswell-Chaves Solar Facilities' RECs allocated to the
19 R*C-I program. SPS will update these costs annually for inclusion in the
20 R*C-I charge for the subsequent calendar year.
- 21 • **Volumetric Western Renewable Energy Generation Information**
22 **System ("WREGIS") REC Activity Costs** – Currently, WREGIS charges
23 \$0.0040/MWh for REC transaction activities (such as creation, transfer, and
24 retirement). The estimated charges for WREGIS REC transaction costs for
25 2025 is \$728. SPS will reconcile and update these costs annually for
26 inclusion in the R*C-I charge for the subsequent calendar year.

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- 1 • **Information Technology (“IT”) Costs** – SPS is including a budget of
2 \$12,000 for IT set-up costs during the first year of the R*C-I program.
3 Recurring IT costs after the first year of implementation will be included in
4 other categories (e.g., labor) in subsequent years.
 - 5 • **Marketing and Promotion Costs** – SPS is including an annual budget of
6 \$10,000 for marketing and promotion costs related to the R*C-I program.
7 SPS will update these costs annually for inclusion in the R*C-I charge for
8 the subsequent calendar year.
 - 9 • **Notice** – SPS has included an estimated \$10,000 of notice expenses in its
10 administrative budget. SPS will update this amount to actual costs in its
11 2024 filing.
 - 12 • **External Legal Expense** – SPS has estimated \$250,000 to include for
13 external legal counsel costs during the first year of the R*C-I program phase
14 (2025). SPS will update this amount to actual costs in its 2024 RPS filing.
 - 15 • **Product Development Costs** – SPS has included \$30,000 of product
16 development costs. The product development team identifies, assesses, and
17 develops new customer programs, including technical analysis, and
18 supports the modification of current programs.
 - 19 • **Labor Costs** – SPS has estimated \$35,000 in labor costs to include during
20 the first year of the R*C-I program phase (2025). Labor costs for 2026 and
21 subsequent years have been estimated at \$20,000 per year. SPS will update
22 these costs annually for inclusion in the R*C-I charge for the subsequent
23 calendar year.
- 24 In total, SPS estimates \$357,533 of first year administration costs. When divided
25 by the estimated renewable energy production available for the R*C-I program
26 offering (182,095 MWh), the total estimated 2025 R*C-I administration cost rate

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1 is \$1.96/MWh (Attachment RMS-1, line 6). Also, *see* Attachment RMS-5
2 (workpapers) for a tabular summary of these costs.

3 **Q. Please describe the full subscription incentive charge component (D) of the**
4 **R*C-I charge formula.**

5 A. As described by Ms. Trammell, for the R*C-I program phase, SPS will provide
6 subscribing customers with the option to elect contract terms of either 10 or 16
7 years. However, as Ms. Trammell explains, the 10-year subscription term includes
8 risk for SPS. Thus, to incentivize selection of the 16-year term, SPS has applied a
9 full subscription incentive charge in the R*C-I formula for customers who elect a
10 10-year subscription term. Effectively, the charge provides an incentive for
11 subscribers to take service under the 16-year term option.

12 **Q. Have you calculated the estimated R*C-I charge for 2025, the first year of the**
13 **program?**

14 A. Yes. Although SPS will update the estimated R*C-I charge in its 2024 RPS filing
15 and reconcile the R*C-I customer charge after the first program year such that it is
16 based on actual costs, the estimated charges for the first year of the program (2025)
17 for the 10-year and 16-year terms are: \$41.44 per MWh and \$41.03 per MWh
18 respectively (Attachment RMS-1, line 10).

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1 Please refer to Attachment RMS-1 for an illustration of the full calculation
2 of the estimated R*C-I charge for 2025.

3 **Q. Have you prepared sample calculations of a subscribing customer’s monthly**
4 **charge component (in total dollars) for renewable energy purchased through**
5 **the R*C-I program?**

6 A. Yes. My workpapers (Attachment RMS-5) include multiple illustrative
7 calculations of the total monthly charges for renewable energy purchased through
8 R*C-I program LGS-T customers taking service at 69 kilovolts (“kV”) and 115kV+
9 in both summer and winter under a variety of assumptions regarding the subscribing
10 customer’s monthly renewable energy allocation and the subscription term.

B. R*C-I Monthly Credits

11 **Q. Please identify the monthly R*C-I credits.**

12 A. As noted above, subscribing customers will receive monthly credits for the: (i)
13 demand charge; (ii) the energy charge; (iii) the FPPCAC; and (iv) the RPS Cost
14 Rider.

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1 **Q. Please describe the monthly demand charge credit.**

2 A. Each month, R*C-I subscribing customers will be charged for all applicable
3 demand charges (which include costs for both production and transmission) for
4 each kW of measured demand used at the subscribed premises based on their
5 existing Commission-approved rates.⁶ However, because the customers'
6 subscribed generation shares of the R*C-I program resource production capacity
7 will be used to meet some (or potentially all) of their measured demand, SPS will
8 provide the customers a credit for the production-related demand costs included in
9 the demand charge of SPS's base rates. The credit will be equal to the production
10 component of the demand charges the customer paid on the portion of the
11 subscribing customer's actual monthly measured demand served by the customer's
12 subscription share of the R*C-I program resource generating capacity.

13 **Q. How is a subscribing customer's total monthly demand charge credit**
14 **determined?**

15 A, The calculation is a multi-step process, which includes: adjusting the subscribed
16 demand associated with the customer's generation share of the R*C-I program

⁶ See Advice Notice 301, Ninth Revised Rate No. 34-Large General Service-Transmission.
See also Advice Notice 314, Original Rate No. 85-Standby Service Rider.

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1 resource to account for the Southwest Power Pool accreditation factors for the
2 summer and winter; converting the adjusted subscribed demand to an at the meter
3 number by applying the applicable loss factors; and finally multiplying the
4 customer's loss adjusted subscribed demand by the unbundled production rate. My
5 Attachment RMS-2 (page 1) provides an illustrative example of the calculation.

6 Additionally, customers can only take service if they have met the minimum
7 5 MW, on a per premise basis. Further, customers will only receive a credit equal
8 to their metered demand.

9 **Q. Please describe how the Southwest Power Pool accreditation-adjusted**
10 **subscribed demand is calculated.**

11 A. SPS begins by taking the subscribed demand and multiplying that demand by either
12 the summer or winter solar accreditation factors, which are provided by the
13 Southwest Power Pool. (See Attachment RMS-2, page 1, lines 1-3 for an
14 illustrative example.) The Southwest Power Pool periodically updates its solar
15 accreditation factors (see Attachment 5 (workpapers) for current annual
16 accreditation factors). SPS proposes to update these factors, on a going-forward
17 basis, as they are updated by the Southwest Power Pool.

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1 **Q. How did SPS calculate the loss-adjusted subscribed demand?**

2 A. SPS divided the accreditation-adjusted subscribed demand (Attachment RMS-2,
3 page 1, line 3) by the loss factor for each voltage level⁷ (Attachment RMS-2, page
4 1, line 5), which resulted in an at the meter subscribed demand (Attachment RMS-2,
5 page 1, line 6). SPS will adjust the loss factors as they are updated by new loss
6 studies.

7 **Q. What is the next step in determining the demand charge credit?**

8 A. The next step is to calculate the demand charge credit in dollars (Attachment
9 RMS-2, page 1, line 9). This is calculated by multiplying the at the meter customer
10 subscribed demand (Attachment RMS-2, page 1, line 6) by the unbundled
11 production cost rate (\$/per kW)⁸ (Attachment RMS-2, page 1, line 8).

⁷ SPS Loss Study filed in Case No. 22-00286-UT.

⁸ Case No. 22-00155-UT, WLB-Stip-4 (pp.1-2).

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1 **Q. Based on the guidelines provided above, have you prepared an illustrative**
2 **calculation of a monthly demand charge credit available to a subscribing**
3 **customer at various subscription levels?**

4 A. Yes. See Attachment RMS-5 (workpapers) for illustrative calculations of the
5 monthly demand charge credit under various subscription scenarios for customers
6 taking service at 69 kV and 115+ kV in both summer and winter.

7 **Q. Turning to the next credit, please describe the monthly energy charge credit**
8 **that subscribing R*C-I customers will be eligible for and how it is applied.**

9 A. Each month, R*C-I subscribing customers will be charged for their full monthly
10 energy usage based on their existing Commission-approved rates.⁹ However,
11 because energy procured through the R*C-I program is replacing (some or all of
12 the) energy that would have been purchased from SPS at the subscribing customer's
13 existing rate, SPS will provide the customer a credit equal to what the customer
14 would have paid for the subscribed energy volume at the customer's standard
15 energy rate. This calculation is a multi-step process. I have provided an illustrative
16 example as Attachment RMS-2, page 2.

⁹ See Advice Notice 301, Ninth Revised Rate No. 34-Large General Service-Transmission.

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1 The first step is to calculate the generating capacity available for the R*C-I
2 program.¹⁰ The R*C-I resource generating capacity (Attachment RMS-2, page 2,
3 line 4) is calculated by multiplying the total Roswell-Chaves Solar Facilities'
4 capacity (Attachment RMS-2, page 2, line 2) by the non-jurisdictional percentage
5 (Attachment RMS-2, page 2, line 3). Because the generating capacity available for
6 R*C-I will vary on a monthly basis as a result of the monthly system allocation to
7 R*C-I, SPS proposes to true-up the actual amount when it reconciles the rate. For
8 the estimated amounts, SPS used an average of actual 2022 allocations to the non-
9 jurisdictional portion of the R*C-I resources.

10 The next step is to calculate the customer's subscription share ratio—i.e.,
11 the customer's subscribed share (as a percent) of the total R*C-I generating
12 capacity (Attachment RMS-2, page 2, line 7). The subscriber's share ratio is the
13 result of the division of the customer's subscribed MW (Attachment RMS-2, page
14 2, line 6) by the generating capacity available for R*C-I (Attachment RMS-2, page
15 2, line 4).

¹⁰ As noted above, the R*C-I program offering will be supplied by the non-jurisdictional portion of the the Roswell-Chaves Solar Facilities generating capacity.

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1 The next step is to calculate the customer's monthly R*C-I monthly
2 renewable energy allocation (in kilowatt-hours ("kWh")). To do this, SPS will
3 multiply the customer's subscription share ratio (Attachment RMS-2, page 2, line
4 11) by the energy produced and allocated to R*C-I (Attachment RMS-2, page 2,
5 line 10). This calculation results in the customer's subscribed renewable energy
6 allocation in kWh (Attachment RMS-2, page 2, line 12).

7 Finally, to calculate the subscribing customer's monthly energy credit (in
8 \$), the customer's monthly R*C-I renewable energy allocation (Attachment
9 RMS-2, page 2, line 12) will be multiplied by the customer's existing Commission-
10 approved energy rate at the time of billing (Attachment RMS-2, page 2, line 13)—
11 currently \$0.005752/kWh for LGS-T customers taking service at 69 kV or
12 \$0.005720/kWh for customers taking service at 115+ kV. Similar to the demand
13 charge credit, customers will only receive a credit up to their metered usage. In
14 other words, if the subscribed energy allocation is greater than metered usage, the
15 credit will only be applied to the metered usage. *See* Attachment RMS-5
16 (workpapers) for illustrative calculations of monthly energy charge credits under
17 various monthly R*C-I renewable energy allocation and consumption assumptions
18 for LGS-T customers taking service at both 69 kV and 115+ kV.

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1 **Q. Please describe the basis for the FPPCAC charge credit and how it is**
2 **calculated and applied.**

3 A. Because renewable energy acquired through the R*C-I program is replacing energy
4 that has been assessed standard FPPCAC charges, SPS will provide R*C-I
5 customers with a credit equal to the FPPCAC charges assessed on the replaced
6 energy. The FPPCAC charge credit is calculated in an identical fashion to the
7 energy charge credit. The only difference is that the FPPCAC factor is applied
8 instead of the energy charge rate. The customer cannot receive an FPPCAC credit
9 greater than metered usage. An illustrative example is provided in Attachment
10 RMS-2, page 3. More detailed sample calculations of monthly FPPCAC credits for
11 customers taking service at 69 kV and 115+ kV in both summer and non-summer
12 months are provided in Attachment RMS-5 (workpapers).

13 **Q. Please describe the final R*C-I credit, the RPS Cost Rider charge credit.**

14 A. Consistent with the Renewable Energy Act (“REA”),¹¹ and based on the approved
15 RPS Rider rate by the Commission, SPS will provide a credit, based on SPS’s
16 Commission-approved RPS Cost Rider rate (currently, \$0.000901/kWh of

¹¹ 1978 NMSA, §§ 62-16-1 through 62-16-10.

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1 consumed energy) back to subscribing customers during a month's period¹² based
2 on the portion of the subscribing customer's monthly renewable energy allocation
3 consumed during the month. The calculation is performed in an identical fashion
4 as the energy charge credit and FPPCAC credit. Please *see* Attachment RMS-2,
5 page 4. Additional sample calculations of monthly RPS Cost Rider charge credits
6 for customers taking service at 69 kV and 115+ kV are provided in Attachment
7 RMS-5 (workpapers).

8 **C. Unused Energy Credit/Charge**

9 **Q. Please describe what you mean by unused energy.**

10 A. A subscribing customer will have "unused energy" in any month in which the
11 customer does not consume all of their monthly R*C-I renewable energy allocation.
12 In such a month, the amount of unused energy, measured in kWh, is calculated as
13 the difference between the customer's monthly R*C-I renewable energy allocation
14 and the customer's monthly metered energy usage at the subscribed premises. SPS
15 has designed the tariff to significantly reduce unused energy, but it is still a potential

¹² Section 62-16-7(B)(3) provides that renewable energy purchased by a customer through a voluntary renewable program shall "not be subject to charges by the public utility to recover costs of complying with the renewable portfolio standard requirements....".

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1 scenario that must be addressed. *See* Attachment RMS-2, page 5, for an illustrative
2 example of the calculation.

3 **Q. Why is this calculation necessary?**

4 A. Because, as SPS witness Ms. Trammell explains, all energy delivered from the
5 R*C-I program resource in a month must be used either by the subscriber or
6 allocated to SPS's system.

7 **Q. Please describe this calculation.**

8 A. First, SPS will calculate the customer's R*C-I subscription share ratio, which is
9 identical to the calculation used in the credits I described earlier (Attachment
10 RMS-2, page 5, lines 1-7).

11 Next, SPS calculates the unused energy credit,¹³ which is applied to the
12 customer's total R*C-I charge.¹⁴ SPS begins by multiplying the actual monthly
13 energy generated for R*C-I (Attachment RMS-2, page 5, line 10) by the customer's
14 R*C-I subscription share ratio (Attachment RMS-2, page 5, line 11), to determine
15 the customer's monthly R*C-I renewable energy allocation (in kWh) (Attachment

¹³ It is possible for this to be a charge, depending of the Southwest Power Pool LMPs and/or natural gas prices.

¹⁴ The customer will pay the R*C-I charge based on total allocated subscription, regardless of metered consumption.

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1 RMS-2, page 5, line 12). SPS then compares the customer's R*C-I renewable
2 energy allocation (Attachment RMS-2, page 5, line 12) to the customer's metered
3 usage (Attachment RMS-2, page 5, line 13). If the difference (R*C-I less metered
4 usage) is positive the customer has unused energy (kWh) (Attachment RMS-2, page
5 5, line 14). Finally, SPS multiplies the unused energy (kWh) (Attachment RMS-2,
6 page 5, line 14) by the unused energy rate (Attachment RMS-2, page 5, line 15),
7 which yields the unused energy credit (Attachment RMS-2, page 5, line 16). As I
8 mentioned earlier, this credit is applied against the total R*C-I charge.¹⁵

9 **Q. How is the unused energy rate determined?**

10 A. SPS will determine the unused energy rate (Attachment RMS-2, page 5, line 15)
11 based on the Southwest Power Pool LMPs at the Roswell-Chaves site locations.
12 SPS will calculate a weighted average LMP for each site location each calendar
13 month.

¹⁵ For the determination of the R*C-I charge, SPS begins by calculating the REC costs, which are recovered from the subscribing customers, regardless of the applied unused energy credit. As a result, all of the RECs associated with the allocated R*C-I resource are retired on behalf of the subscribing customers.

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1 **Q. If SPS is providing a credit to subscribing R*C customers, how does SPS**
2 **propose to collect this credit?**

3 A. Because all subscribed but unused energy must be used, SPS is proposing to
4 allocate this energy to the system. As a result, SPS also proposes to collect the
5 unused energy credit provided to an R*C-I subscriber from SPS's non-subscribing
6 customers through the FPPCAC.

7 **Q. Why is this proposal reasonable?**

8 A. The credit applied to customers is SPS's avoided cost of the Roswell-Chaves Solar
9 Facilities PPAs. This methodology (using the LMP at the site location) is the same
10 basis used to calculate avoided cost payment made to SPS's small distributed
11 generation customers. This determination is designed to reflect the cost of the
12 unused energy allocated to the SPS system in a manner that leaves non-subscribers
13 indifferent to the unused energy allocation. Ms. Trammell further discusses the
14 reasonableness of this cost component in her testimony.

15 **Q. Why are REC costs specifically separated?**

16 A. SPS is specifically exercising its REC Option to acquire the RECs for customers
17 participating in R*C-I, and these RECs are not used for SPS's REA compliance or
18 collected from customers in rates. As a result, subscribing customers should be

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1 responsible for these costs. Additionally, potential R*C-I customers have indicated
2 the desire to have RECs retired on their behalf consistent with their subscription.

3 **Q. How will this credit (or charge) be reflected on a subscribing customer's bill?**

4 A. A customer will see three line items: (i) the R*C-I charge, calculated on the
5 customer's total subscribed renewable energy allocation; (ii) the unused energy
6 credit/charge (described above); and (iii) the net amount for unused energy.

7 **Q. Can you provide a sample calculation of a subscribing customer's monthly**
8 **charges in a month in which the customer has unused energy?**

9 A. Yes. Please refer to Attachment RMS-2, page 5, for an illustrative example.

10 **Q. Have you included the unused energy credit in the bill impact calculation?**

11 A. No. SPS expects the occurrence of unused energy by a R*C customer to be rare
12 given the subscription structure for R*C. Additionally, it is difficult to make
13 reasonable assumptions regarding the amount of unused energy and thus any
14 unused energy credits (or charges) could skew the estimated bill impact
15 calculations.

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1 **IV. PROPOSED IMPLEMENTATION AND ANNUAL UPDATE OF R*C**
2 **RATE RIDER CHARGE AND CREDIT COMPONENTS**

3 **Q. Please describe SPS's proposal for Commission approval of the R*C Rate**
4 **Rider.**

5 A. SPS proposes to file a compliance advice notice and R*C Rate Rider consistent
6 with the Commission's final decision in this case with its annual RPS filing on July
7 1, 2024. The R*C Rate Rider will be based upon the Commission-approved rates,
8 terms, and conditions and the R*C rate calculation methodology updated to reflect
9 the most current R*C charge and credit components. This will allow for
10 implementation of the R*C-I program phase beginning in 2025. A copy of the
11 proposed form of the R*C Rate Rider using current cost and credit components is
12 included with this testimony as Attachment RMS-3.

13 **Q. Please describe SPS's proposal for annual informational filings to update**
14 **certain R*C-I charge and credit components.**

15 A. As discussed above, certain components used to calculate the R*C charge and
16 offsetting credit will need to be updated annually. The specific components are
17 identified above. SPS proposes to file this information, along with an advice notice,
18 with its RPS filings. The advice notice will include the revised R*C program

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1 charge for the upcoming year. The information provided will also include
2 workpapers supporting the calculation of the R*C charge and credits.

3 **Q. What other information will be included in the annual informational filing?**

4 A. The annual R*C informational filing will also include an updated forecast of annual
5 solar generation from the Roswell-Chaves Solar Facilities that will be used in the
6 calculation of the R*C-I charge and credits.

7 **Q. Why is SPS proposing to submit the R*C program informational filings with**
8 **its annual RPS filings?**

9 A. Beyond administrative efficiency, combining the informational filings with the
10 annual RPS filings makes sense because it will provide for a timely approval of the
11 R*C charge and credit components for the following year. Under the
12 Commission's Renewable Energy Rule¹⁶ ("Rule 572"), SPS's RPS filings are
13 required to be made on or before July 1 of each year and the Commission is to issue
14 a decision on the filing by December 31 of the filing year. This period will afford
15 the Staff and intervenors the opportunity to review and raise concerns regarding the
16 calculation of the R*C-I charge and credit and, if the concerns cannot be addressed

¹⁶ 17.9.572 NMAC.

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1 by SPS, have those concerns decided by the Commission in time for
2 implementation on January 1 of the following year.

3 **Q. Please describe further the opportunity for review of the R*C program**
4 **informational filing under the proposed process.**

5 A. In conjunction with SPS's annual RPS filing, Staff and the intervenors will be
6 served with a copy of the R*C Rate Rider informational filing and updated R*C
7 charge and credit component calculations. Because the Commission would have
8 already approved the methodology for calculating the R*C charges and credits, the
9 scope of the review of the informational filing would be limited to:

- 10 • whether SPS has properly applied the approved methodology to calculate
11 the updated R*C charges and credits; and
12 • whether the data included in the informational filing is accurate and
13 otherwise proper.

14 **Q. Is this process consistent with other Commission-approved processes?**

15 A. Yes. SPS follows a similar process with its annual Solar*Connect filings.

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1 **V. ESTIMATED BILL IMPACTS FOR SUBSCRIBING CUSTOMERS**

2 **Q. Did SPS calculate bill impacts for participating customers?**

3 A. Yes, SPS calculated the summer and winter bill impacts of a hypothetical R*C-I
4 subscribing customer taking power at 69 kV and 115 kV+ at different subscription
5 levels, for each of the two subscription terms (10-year or 16-year). Please refer to
6 Attachment RMS-4 as well as the detailed calculations, provided in Attachment
7 RMS-5 (workpapers).

8 **Q. Please describe the estimated bill impact for a R*C-I subscribing customer.**

9 A. The estimated bill impact calculations are based on annualized consumption
10 volumes for a hypothetical R*C-I subscriber at different subscription levels and
11 under each one of the subscription terms, based on the proposed R*C-I charge
12 formula and credit methodologies. Please refer to Attachments RMS-4 and RMS-5
13 (workpapers) for examples of the calculation charges and credits comprising the
14 estimated bill impacts. Additionally, Tables RMS-1 and RMS-2 (below)
15 summarize the bill impacts at a 5 MW subscription, for a 16-year and 10-year term,
16 respectively.

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Table RMS-1

Comparison of Bills under Current Base Rates with Proposed R*C-I Rates
16 YRS, 5 MW Subscription

Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
<u>Large General Service Transmission 69 kV (Summer)</u>				
4,200,000 kWh and 7,500 kW	\$ 192,928.96	\$ 188,910.54	\$(4,018.42)	-2.08%
<u>Large General Service Transmission 69 kV (Non-Summer)</u>				
4,200,000 kWh and 7,500 kW	\$ 179,546.08	\$ 183,694.56	\$ 4,148.48	2.31%
<u>Large General Service Transmission 69 kV (Annualized)</u>				
4,200,000 kWh and 7,500 kW	\$ 184,007.04	\$ 185,433.22	\$ 1,426.18	0.78%
<u>Large General Service Transmission 115 kV + (Summer)</u>				
11,000,000 kWh and 18,000 kW (average)	\$ 464,451.12	\$ 461,506.73	\$(2,944.39)	-0.63%
<u>Large General Service Transmission 115 kV + (Non-Summer)</u>				
11,000,000 kWh and 18,000 kW (average)	\$ 433,588.21	\$ 438,480.01	\$ 4,891.80	1.13%
<u>Large General Service Transmission 115 kV + (Annualized)</u>				
11,000,000 kWh and 18,000 kW (average)	\$ 443,875.85	\$ 446,155.58	\$ 2,279.73	0.51%

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Table RMS-2

Comparison of Bills under Current Base Rates with Proposed R*C Rates
10 YRS, 5 MW Subscription

Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
<u>Large General Service Transmission 69 kV (Summer)</u>				
4,200,000 kWh and 7,500 kW	\$ 192,928.96	\$ 189,420.98	\$(3,507.98)	-1.82%
<u>Large General Service Transmission 69 kV (Non-Summer)</u>				
4,200,000 kWh and 7,500 kW	\$ 179,546.08	\$ 183,872.27	\$ 4,326.19	2.41%
<u>Large General Service Transmission 69 kV (Annualized)</u>				
4,200,000 kWh and 7,500 kW	\$ 184,007.04	\$ 185,721.84	\$ 1,714.80	0.93%
<u>Large General Service Transmission 115 kV + (Summer)</u>				
11,000,000 kWh and 18,000 kW (average)	\$ 464,451.12	\$ 462,000.74	\$(2,450.38)	-0.53%
<u>Large General Service Transmission 115 kV + (Non-Summer)</u>				
11,000,000 kWh and 18,000 kW (average)	\$ 433,588.21	\$ 438,652.31	\$ 5,064.10	1.17%
<u>Large General Service Transmission 115 kV + (Annualized)</u>				
11,000,000 kWh and 18,000 kW (average)	\$ 443,875.85	\$ 446,435.12	\$ 2,559.27	0.58%

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- 1 **Q. The above bill impact examples show a decrease in total bills for the some**
2 **subscribing customers during the summer months. Can you explain the**
3 **factors contributing to the reduced bills and whether subscribing customers**
4 **should expect such impacts to exist throughout their R*C-I subscription term?**
- 5 A. Yes. The total R*C-I bill is significantly influenced by changes in the seasonal
6 capacity accreditation by SPP and the monthly FPPCAC factor. As a result,
7 customers may see an overall decrease in their total bill. However, while the
8 estimated bill impact analysis shows a decrease for certain customers during the
9 summer months primarily because of a higher SPP seasonal capacity accreditation,
10 customers are expected to see a bill increase on an annual basis.

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1

VI. CONCLUSION

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

3 **A. Yes.**

IN THE MATTER OF SOUTHWESTERN
PUBLIC SERVICE COMPANY'S
APPLICATION FOR AUTHORIZATION OF
LARGE CUSTOMER
RENEWABLE*CONNECT PROGRAM AND
TARIFF AND OTHER ASSOCIATED RELIEF,

Case No. 23-00__-UT

SOUTHWESTERN PUBLIC SERVICE
COMPANY,

APPLICANT.

VERIFICATION

On this day, August 11, 2023, I, Ruth M. Sakya, swear and affirm under penalty of perjury under the law of the State of New Mexico, that my testimony contained in Direct Testimony of Ruth M. Sakya is true and correct.

/s/ Ruth M. Sakya

RUTH M. SAKYA

**Projected Renewable Connect Charge
For the Calendar Year 2025**

Line No.	Description	Unit Charge (\$/MWh)	
Renewable*Connect Resource Cost			
1	Weighted Average Cost of Roswell-Chavez (\$/MWh)	\$	41.70
Renewable*Connect Curtailment/Congestion Cost			
2	Congestion Costs (\$/MWh)	\$	(3.14)
3	Curtailment Costs (\$/MWh		6.80
4	TCR Congestion Credit (\$/MWh)		(6.30)
5	Net SPP Congestion + Curtailment Costs (Sum L2:L4) (\$/MWh)	\$	(2.63)
Program Administration Cost (Direct Assigned to Program)			
6	Administration Cost Rate (\$/MWh)	\$	1.96
7	Total R*C Charge - Unadjusted (\$/MWh) (L1+L5+L6)	\$	41.03
R*C Charge Adjusted for Term Length		Ten-Year Term	Sixteen-Year Term
8	R*C Charge (\$/MWh) (L7)	\$ 41.03	\$ 41.03
9	x Full Subscription Incentive	1.010	1.000
10	Total R*C Charge for Term Length (\$/MWh) (L8*L9)	\$ 41.44	\$ 41.03

**Illustrative Calculation of Estimated 2025 Demand Charge Credit
For the Year 2025**

	Customer R*C Subscription kW^{1>>}	5,000	
	Customer Metered Demand kW >>	30,000	
	115+ kV Customer		
Line No.	Description	Winter⁴	Summer⁴
1	Customer Demand at Subscription Level (KW)	5,000	5,000
2	SPP Solar Accreditation Factor (2025)	14.73%	69.56%
3	Customer Demand, Adjusted for Accreditation (L1*L2)	737	3,478
4			
5	Loss Factor ²	1.020504	1.020504
6	Customer Demand, at the Meter (kW) (L3/L5)	722	3,408
7			
8	Unbundled Production Rate (\$/kW) ³	\$ 8.18	\$ 9.79
9	Demand Charge Credit (\$) (L6*L8)	\$ 5,904	\$ 33,365

¹ Credit cannot exceed metered demand. If metered demand is less than Subscribed share, credit will be based on metered demand.

² SPS Loss Study filed in Case No. 22-00286-UT.

³ Case No. 22-00155-UT, WLB-Stip-4 (pp.1-2).

⁴ Summer is June-Sept; Winter is the Remaining Months.

**Illustrative Example of Energy Charge Credit
For the Year 2025**

Customer R*C Subscription (kW)>>		5,000	
Customers Metered Usage (kWh)>>		20,000,000	
115+ kV Customer			
Line No.	Description	Winter¹	Summer¹
1	<u>Customer Allocated Share of R*C Resource</u>		
2	Total Roswell/Chaves Rated Capacity (kW)	140,000	140,000
3	Available Capacity for R*C (kW)	56.31%	56.31%
4	Capacity Available for R*C (kW) (L2*L3)	78,835	78,835
5			
6	Customer Subscribed Amount of R*C (kW)	5,000	5,000
7	Customer R*C Share (%) (L6/L4)	6.34%	6.34%
8			
9	<u>Customer Energy Credit</u>		
10	Energy Generated in Month for R*C (kWh)	6,602,758	18,965,376
11	Customer R*C Share (%) (L7)	6.34%	6.34%
12	Customer Allocated R*C (kWh) (L10*L11)	418,772	1,202,857
13	Energy Charge (\$/kWh)	\$ 0.005720	\$ 0.005720
14	Energy Charge Credit (\$) (L12*L13)	\$ 2,395.38	\$ 6,880.34

¹ Summer is June-Sept; Winter is the Remaining Months.

**Illustrive Example of FPPCAC Charge Credit
For the Year 2025**

Customer R*C Subscription (kW)>> 5,000
 Customers Metered Usage (kWh)>> 20,000,000
115+ kV Customer

Line No.	Description	Winter ¹	Summer ¹
1	<u>Customer Allocated Share of R*C Resource</u>		
2	Total Roswell/Chaves Rated Capacity (kW)	140,000	140,000
3	Available Capacity for R*C (kW)	56.31%	56.31%
4	Capacity Available for R*C (kW) (L2*L3)	78,835	78,835
5			
6	Customer Subscribed Amount of R*C (kW)	5,000	5,000
7	Customer R*C Share (%) (L6/L3)	6.34%	6.34%
8			
9	<u>Customer FPPCAC Credit</u>		
10	Energy Generated in Month for R*C (kWh)	6,602,758	18,965,376
11	Customer R*C Share (%) (L7)	6.34%	6.34%
12	Customer Allocated R*C (kWh) (L10*L11)	418,772	1,202,857
13	FPPCAC Charge (\$/kWh)	\$ 0.010020	\$ 0.010020
14	FPPCAC Charge Credit (\$) (L12*L13)	\$ 4,196	\$ 12,053

¹ Summer is June-Sept; Winter is the Remaining Months.

**Illustrative Example of RPS Rate Rider Charge Credit
For the Year 2025**

Customer R*C Subscription (kW)>> 5,000
 Customers Metered Usage (kWh)>> 20,000,000
115+ kV Customer

<u>Line No.</u>	<u>Description</u>	<u>Winter¹</u>	<u>Summer¹</u>
1	<u>Customer Allocated Share of R*C Resource</u>		
2	Total Roswell/Chaves Rated Capacity (kW)	140,000	140,000
3	Available Capacity for R*C (kW)	<u>56.31%</u>	<u>56.31%</u>
4	Capacity Available for R*C (kW) (L2*L3)	78,835	78,835
5			
6	Customer Subscribed Amount of R*C (kW)	<u>5,000</u>	<u>5,000</u>
7	Customer R*C Share (%) (L6/L3)	6.34%	6.34%
8			
9	<u>Customer RPS Rate Rider Credit</u>		
10	Energy Generated in Month for R*C (kWh)	6,602,758	18,965,376
11	Customer R*C Share (%) (L7)	<u>6.34%</u>	<u>6.34%</u>
12	Customer Allocated R*C (kWh) (L10*L11)	418,772	1,202,857
13	RPS Rate Rider Charge (\$/kWh)	<u>\$ 0.000901</u>	<u>\$ 0.000901</u>
14	RPS Rate Rider Charge Credit (\$) (L12*L13)	\$ 377	\$ 1,084

¹ Summer is June-Sept; Winter is the Remaining Months.

**Illustrive Example of Unused Credit (Charge)
For the Year 2025**

Customer R*C Subscription (kW)>> 5,000
 Customers Metered Usage (kWh)>> 300,000
115+ kV Customer

Line No.	Description	Winter ¹	Summer ¹
1	<u>Customer Allocated Share of R*C Resource</u>		
2	Total Roswell/Chaves Rated Capacity (kW)	140,000	140,000
3	Available Capacity for R*C (kW)	56.31%	56.31%
4	Capacity Available for R*C (kW) (L2*L3)	78,835	78,835
5			
6	Customer Subscribed Amount of R*C (kW)	5,000	5,000
7	Customer R*C Share (%) (L6/L3)	6.34%	6.34%
8			
9	<u>Unused Energy Determination</u>		
10	Energy Generated in Month for R*C (kWh)	6,602,758	18,965,376
11	Customer R*C Share (%) (L7)	6.34%	6.34%
12	Customer Allocated R*C (kWh) (L10*L11)	418,772	1,202,857
13	Customer's Metered Usage (kWh)	300,000	300,000
14	Unused Energy (kWh) (L12-L13)	118,772	902,857
15	Unused Energy Rate (\$/kWh)	\$ 0.035870	\$ 0.033280
16	Unused Energy Credit (L14*L15)	\$ 4,260	\$ 30,047

¹ Summer is June-Sept; Winter is the Remaining Months.

SOUTHWESTERN PUBLIC SERVICE COMPANY

ORIGINAL RATE NO. _____

LARGE CUSTOMER RENEWABLE* CONNECT RATE RIDER

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APPLICABILITY: Applicable as an optional service for the purchase of renewable energy by subscriber agreement, subject to program resource quantity limits. Available to customers who receive electric service under the Company's Large General Service Transmission (LGS-T) rate schedule (Rate No. 34) with over a 5 megawatt (MW) peak monthly demand at a single premise. Subscribing customers will have the right to purchase a production share of the Renewable*Connect Resource. The minimum Renewable*Connect Share is 5 MW, per single premise. If the customer desires, they may purchase 1 MW blocks above the 5 MW minimum. For each premises, a customer's Renewable*Connect Share cannot exceed the annual peak for the most recent twelve-month period at the premises at the time of subscribing to the Renewable*Connect program. For customers taking service under the Company's Standby Rate Rider (Rate No. 85), customer's usage under this rate rider shall only be applied to the customer's usage in excess of the Standby Services provided by Company.

This rate rider defines the procedure by which the Renewable*Connect Rate Rider may be annually updated subject to the jurisdiction of the New Mexico Public Regulation Commission (Commission). The annual Renewable*Connect Rate Rider update procedure will not become effective until an Informational Filing is made, as discussed herein.

This rate rider shall, at all times, be subject to change or modification by order of the Commission or successor agency.

TERRITORY: All areas served by Company in New Mexico.

DEFINITIONS:

Demand Charge Credit

The Demand Charge Credit reflects a credit for the production-related demand charges associated with the portion of a Renewable*Connect Subscriber's actual measured

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Regional Vice President –Regulatory & Pricing

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monthly demand (measured in kilowatt (kW)) served by the Renewable*Connect Subscriber's Renewable*Connect Share. The Demand Charge Credit is applied on a dollar per kW basis and is based on the Renewable*Connect Unbundled Production Credit.

Energy Charge Credit

The Energy Charge Credit reflects the cost for energy replaced by renewable energy acquired by a Renewable*Connect Subscriber through the Renewable*Connect program. The Energy Charge Credit is applied on a dollar per kilowatt-hour (kWh) basis and is based on the Renewable*Connect Subscriber's current Commission-approved rate for energy as included in the Company's Rate No. 34.

Fuel and Purchased Power Cost Adjustment Clause Charge Credit

The Fuel and Purchased Power Cost Adjustment Clause (FPPCAC) Charge Credit reflects the fuel and purchased power related costs associated with energy replaced by renewable energy acquired by a Renewable*Connect Subscriber through the Renewable*Connect program. The FPPCAC Charge Credit is applied on a dollar per kWh basis and is based on the actual monthly Commission-approved FPPCAC rate, as applicable to each Renewable*Connect Subscriber. The FPPCAC Charge Credit will vary from month to month based on the applicable FPPCAC rate.

Full-Subscription Incentive Charge

An adjustment to the Renewable*Connect charge that provides an incentive for subscribing to the maximum contract term.

Monthly Renewable*Connect Energy Allocation

The monthly volume of renewable energy allocated to a Renewable*Connect Subscriber for purchase through the program. The allocation is determined by multiplying the Renewable*Connect Subscriber's Renewable*Connect Share Ratio by the actual monthly energy output from the Renewable*Connect Resource measured in kWh.

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Renewable*Connect Unbundled Production Credit

The Renewable*Connect Unbundled Production Credit is the cost on a \$/kW basis of the production related demand charges applicable to LGS-T customers taking service under Rate No. 34.

The Renewable*Connect Unbundled Production Credit will be updated periodically. The Renewable*Connect Unbundled Production Credit for 2025 is:

Summer	Winter
\$9.79/kW	\$8.18/kW

Renewable*Connect Rate

The total cost (\$/kWh) of providing incremental solar energy to Renewable*Connect Subscribers.

The Renewable*Connect Rate will be updated annually. The rate for 2025 is:

SPS Rate Sheet No.	R*C Charge per Subscribed kWh	
	10-Year Term	16-Year Term
(34) Large General Service – Transmission	\$ 0.041439	\$ 0.041029

Renewable*Connect Credits

Credits applied to a Renewable*Connect Subscriber's total bill, consisting of a Demand Charge Credit, Energy Charge Credit, FPPCAC Charge Credit, and the Renewable Portfolio Standard (RPS) Cost Rider Charge Credit.

Renewable*Connect Non-Subscriber

A customer of the Company who has not subscribed to receive additional renewable energy through the Renewable*Connect Rate Rider.

Renewable*Connect Program Administration Cost

Incremental program administration costs, as approved by the Commission.

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Renewable*Connect Resource

The non-jurisdictional generating capacity associated with the long-term purchased power agreements between the Company and Roswell Solar LLC and Chaves County Solar LLC, referred to as the Roswell-Chaves Solar Facilities.

Renewable*Connect Share

The share of the Renewable*Connect Resource that a Renewable*Connect Subscriber has signed up for, measured in MW, adjusted to reflect the applicable Southwest Power Pool (SPP) Solar Accreditation and line loss factors.

Renewable*Connect Share Ratio

The ratio of a Renewable*Connect Subscriber's Renewable*Connect Share to the capacity of the Renewable*Connect Resource measured in MW.

Renewable*Connect Subscriber

A customer of the Company who subscribes to receive additional renewable energy through the Renewable*Connect Rate Rider.

Renewable*Connect Subscriber Agreement

The individual agreement entered into between the Company and the Renewable*Connect Subscriber, to which the Rules and Regulations of the Renewable*Connect Rate Rider are applicable in addition to any other Terms and Conditions contained in the Renewable*Connect Subscriber Agreement.

RPS Cost Rider Charge Credit

The RPS Cost Rider Charge Credit ensures that the renewable energy acquired through the program is not subject to the costs associated with SPS's compliance with the RPS, consistent with the Renewable Energy Act, NMSA 1978, § 62-16-7(B)(3). The RPS Cost Rider Charge Credit is applied on a \$/kWh basis and is based on the actual Commission-approved RPS rate as applicable to each Renewable*Connect Subscriber.

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Unused Energy Credit or Charge

Unused Energy, measured in kWh, is calculated as the difference between Renewable*Connect Subscriber's Monthly Renewable*Connect Energy Allocation and the metered usage at the subscribed premises in instances in which the monthly metered usage is less than the Renewable*Connect Subscriber's Monthly Renewable*Connect Energy Allocation.

A Renewable*Connect Subscriber's Unused Energy will be allocated to the SPS system for consumption by Renewable*Connect Non-Subscribers at the Unused Energy Rate. The Renewable*Connect Subscriber's total monthly charge or credit for the Unused Energy will be determined as follows:

Unused Energy Monthly Credit/Charge = (REC Costs + (Renewable*Connect Charge (less REC Costs) - Unused Energy Rate)) x Unused Energy (in kWh).

SPS will retire RECs, on behalf of the Renewable*Connect Subscriber, at the Renewable*Connect Subscriber's total Monthly Renewable*Connect Energy Allocation amount.

Unused Energy Rate

The cost of Unused Energy allocated to the SPS system for consumption by Renewable*Connect Non-Subscribers. The Unused Energy Rate is applied on a dollar per kWh basis and will be based on the Locational Marginal Prices associated with the Renewable*Connect Resource as determined by the SPP.

RENEWABLE*CONNECT SUBSCRIPTION TERM: Renewable*Connect Subscribers will have the option of selecting one (1) of two (2) subscription term options:

1. Ten (10) - Year subscription.
2. Sixteen (16) - Year subscription, adjusted to reflect remaining term of Renewable*Connect Resource at time of subscription.

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DETERMINATION OF THE RENEWABLE*CONNECT RATE: Company will calculate the Renewable*Connect Charge for all new or existing Renewable*Connect Subscribers annually in July of each year, to be applicable January 1 of the following year. The Renewable*Connect Charge will be calculated as follows:

$R*C-I \text{ Rate} = (A+B+C)*D$, where:

- A. Per kWh, total Cost of the Renewable*Connect Resource(s);
- B. Per kWh, total resource(s) Net Curtailment and Congestion costs;
- C. Per kWh, Renewable*Connect Program Administration Costs; and
- D. Full Subscription Incentive (applied to Renewable*Connect Subscribers with a 10-year Renewable*Connect Subscription Term).

RENEWABLE*CONNECT CHARGE AND CREDIT BILLING: The Company will calculate and apply the Renewable*Connect Charge and Credits per premises as a part of the monthly bill for electric service to each Renewable*Connect Subscriber. The Renewable*Connect Charge and Renewable*Connect Credits will be applied on top of Renewable*Connect Subscriber's established LGS-T tariff charges.

Each billing month a Renewable*Connect Subscriber will be billed all standard charges provided for in the applicable Commission-approved tariffs based on their metered usage and demand for that month.

The Renewable*Connect Charge and Renewable*Connect Credits shall be applied in the first full billing month for each Renewable*Connect Subscriber following the date that the Company records the Renewable*Connect subscription and on a monthly basis thereafter for the duration of the Renewable*Connect Subscription Term.

For each monthly billing period, the Renewable*Connect Subscriber shall be receive a charge equal to the product of the R*C-I Charge multiplied by the Renewable*Connect

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Subscriber's Monthly Renewable*Connect Energy Allocation for the applicable monthly billing period.

For each monthly billing period, the Renewable*Connect Subscriber shall receive a credit equal to the product of the Energy Charge Credit multiplied by lesser of the Renewable*Connect Subscriber's Renewable*Connect Subscriber's Monthly Renewable*Connect Energy Allocation or actual metered usage during that monthly billing period.

For each monthly billing period, the Renewable*Connect Subscriber shall receive a Demand Charge Credit equal to the product of the Renewable*Connect Unbundled Production Credit multiplied by the lesser of the Renewable*Connect Subscriber's Renewable*Connect Share or actual metered demand for the monthly billing period.

For each monthly billing period, the Renewable*Connect Subscriber shall receive a credit equal to the product of the FPPCAC Charge Credit multiplied by the lesser of the Renewable*Connect Subscriber's Renewable*Connect Subscriber's Monthly Renewable*Connect Energy Allocation or actual metered usage during that monthly billing period.

For each monthly billing period, the Renewable*Connect Subscriber shall receive a credit equal to the product of the RPS Cost Rider Charge Credit multiplied by the lesser of the Renewable*Connect Subscriber's Renewable*Connect Subscriber's Monthly Renewable*Connect Energy Allocation or actual metered usage during that monthly billing period.

In instances where a Renewable*Connect Subscriber's Renewable*Connect Credits and Renewable*Connect Charge are applicable to an initial service bill, the Company will apply the Renewable*Connect Credit and the Renewable*Connect Charge as set forth in this section.

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EARLY TERMINATION FEE: The Renewable*Connect Subscriber may elect to terminate their Renewable*Connect Subscriber Agreement and service under the R*C Rate Rider prior to the completion of the Renewable*Connect Subscription Term (Early Termination) by providing Company written notice at least sixty (60) days before the desired termination ("Early Termination Effective Date"). In the event of an Early Termination, the Renewable*Connect Subscriber shall pay Company an Early Termination Fee as per the following terms:

- a) The Early Termination Fee will reflect all costs and credits associated with the renewable energy that was to be delivered to the Renewable*Connect Subscriber during the remainder of the Term. From the Early Termination Effective Date until the end of the remaining months of Renewable*Connect Subscription Term, Renewable*Connect Subscriber shall pay on a monthly basis all charges associated with the Renewable*Connect Subscriber's Monthly Renewable*Connect Energy Allocation.
- b) Renewable*Connect Subscriber will not be obligated to pay the Early Termination Fee if another eligible customer fully subscribes to the Renewable*Connect Subscriber's Renewable*Connect Share before the Renewable*Connect Subscriber's Early Termination Effective Date.
- c) Company will attempt to fill the Renewable*Connect Subscriber's Renewable*Connect Share with a customer from the program waiting list.
- d) In the event that there is no alternative, eligible customer on the program waiting list willing to assume the terminating Renewable*Connect Subscriber's Renewable*Connect Share, SPS will attempt to sell the unsubscribed energy. Any revenues from such sales—in excess of the costs of the energy to SPS and administrative costs associated with effectuating the sale—will be used to offset the Renewable*Connect Subscriber's monthly Early Termination Fee. However, in no month will the Renewable*Connect Subscriber receive a credit from the sale of energy that exceeds the monthly Early Termination Fee.

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- e) Unless and until an alternative, eligible customer on the program waiting list willing to assume the terminating Renewable*Connect Subscriber's Renewable*Connect Share, all RECs associated with the Renewable*Connect Subscriber's Monthly Renewable*Connect Energy Allocation will be retired on behalf of the customer.
- f) If the Renewable*Connect Subscriber later wishes to resume service under the Renewable*Connect Rate Rider, the Renewable*Connect Subscriber will be required to reapply for a new subscription, and participation shall be subject to eligibility.

ANNUAL RENEWABLE*CONNECT RATE UPDATE FILINGS:

1. **Filing Date:** Annually on July 1st, beginning in 2024, Company shall file an Informational Filing in conjunction with its annual RPS proceeding. The Informational Filing will contain

The updated Renewable*Connect Charges and Credits components for the upcoming calendar year.

2. **Review Period:**

- a. The Commission Staff and intervenors shall receive a copy of the Informational Filing.
- b. The scope of review will be limited to:
 - i. whether SPS has properly applied the Commission-approved methodology for calculating the updated Renewable*Connect Charges and Credits;
 - ii. whether the data included in the informational filing is accurate; and
 - iii. the actual number of participants and the subscription levels for the previous year.
- c. Commission staff and intervenors will formally communicate any issues (Disputed Issues) in writing to Company and other parties.

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3. Effectiveness of Updated Renewable*Connect Rate Rider:

The updated Renewable*Connect Rate Rider will become effective on January 1 of the following year.

RETIREMENT OF RECS: RECs will be retired in the Western Renewable Energy Generation Information System by SPS on behalf of Renewable*Connect Subscribers. If requested by Renewable*Connect Subscriber, SPS will provide the serial numbers attached to each REC surrendered and/or an attestation.

ADDITIONAL CHARGES: Certain fees will impact a Renewable*Connect Subscriber's monthly bill such as tax adjustments, franchise fees, Electric Vehicle Infrastructure Rider, and Energy Efficiency rider. These will appear on the bill as separate line items.

RULES, REGULATIONS AND CONDITIONS OF SERVICE: Service supplied under this schedule is subject to the terms and conditions set forth in Company's Rules, Regulations, and Conditions of Service on file with Commission.

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/s/ Brooke A. Trammell

Regional Vice President –Regulatory & Pricing

Southwestern Public Service Company
- New Mexico Retail
Comparison of Bills under Current Base Rates with Proposed R*C Rates
16 YRS, 5 MW Subscription

Line No	Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
1	<u>Large General Service Transmission - 69 kV (Summer)</u>				
2	4,200,000 kWh and 7,500 kW	\$ 192,928.96	\$ 188,910.54	\$ (4,018.42)	-2.08%
3	5,800,000 kWh and 10,000 kW	\$ 258,167.38	\$ 254,419.58	\$ (3,747.80)	-1.45%
4					
5	<u>Large General Service Transmission - 69 kV (Non-Summer)</u>				
6	4,200,000 kWh and 7,500 kW	\$ 179,546.08	\$ 183,694.56	\$ 4,148.48	2.31%
7	5,800,000 kWh and 10,000 kW	\$ 241,199.94	\$ 245,355.77	\$ 4,155.83	1.72%
8					
9	<u>Large General Service Transmission - 69 kV (Annualized)</u>				
10	4,200,000 kWh and 7,500 kW	\$ 184,007.04	\$ 185,433.22	\$ 1,426.18	0.78%
11	5,800,000 kWh and 10,000 kW	\$ 246,855.75	\$ 248,377.04	\$ 1,521.29	0.62%
12					
13	<u>Large General Service Transmission - 115 kV + (Summer)</u>				
14	3,500,000 kWh and 6,000 kW	\$ 155,726.29	\$ 151,923.51	\$ (3,802.78)	-2.44%
15	7,600,000 kWh and 12,000 kW	\$ 316,501.02	\$ 313,223.71	\$ (3,277.31)	-1.04%
16	11,000,000 kWh and 18,000 kW (average)	\$ 464,451.12	\$ 461,506.73	\$ (2,944.39)	-0.63%
17	20,000,000 kWh and 30,000 kW	\$ 796,780.37	\$ 787,383.49	\$ (9,396.88)	-1.18%
18					
19	<u>Large General Service Transmission - 115 kV + (Non-Summer)</u>				
20	3,500,000 kWh and 6,000 kW	\$ 144,868.79	\$ 149,123.00	\$ 4,254.21	2.94%
21	7,600,000 kWh and 12,000 kW	\$ 296,278.28	\$ 300,818.86	\$ 4,540.58	1.53%
22	11,000,000 kWh and 18,000 kW (average)	\$ 433,588.21	\$ 438,480.01	\$ 4,891.80	1.13%
23	20,000,000 kWh and 30,000 kW	\$ 747,545.53	\$ 753,349.94	\$ 5,804.41	0.78%
24					
25	<u>Large General Service Transmission - 115 kV + (Annualized)</u>				
26	3,500,000 kWh and 6,000 kW	\$ 148,487.96	\$ 150,056.50	\$ 1,568.54	1.06%
27	7,600,000 kWh and 12,000 kW	\$ 303,019.19	\$ 304,953.81	\$ 1,934.62	0.64%
28	11,000,000 kWh and 18,000 kW (average)	\$ 443,875.85	\$ 446,155.58	\$ 2,279.73	0.51%
29	20,000,000 kWh and 30,000 kW	\$ 763,957.14	\$ 764,694.46	\$ 737.32	0.10%

Southwestern Public Service Company
- New Mexico Retail
Comparison of Bills under Current Base Rates with Proposed R*C Rates
16 YRS, 10 MW Subscription

Line No	Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
1	<u>Large General Service Transmission - 69 kV (Summer)</u>				
2					
3	5,800,000 kWh and 10,000 kW	\$ 258,167.38	\$ 283,706.39	\$ 25,539.01	9.89%
4					
5	<u>Large General Service Transmission - 69 kV (Non-Summer)</u>				
6					
7	5,800,000 kWh and 10,000 kW	\$ 241,199.94	\$ 254,919.57	\$ 13,719.63	5.69%
8					
9	<u>Large General Service Transmission - 69 kV (Annualized)</u>				
10					
11	5,800,000 kWh and 10,000 kW	\$ 246,855.75	\$ 264,515.18	\$ 17,659.43	7.15%
12					
13	<u>Large General Service Transmission - 115 kV + (Summer)</u>				
14					
15	7,600,000 kWh and 12,000 kW	\$ 316,501.02	\$ 309,202.21	\$ (7,298.81)	-2.31%
16	11,000,000 kWh and 18,000 kW (average)	\$ 464,451.12	\$ 457,485.24	\$ (6,965.88)	-1.50%
17	20,000,000 kWh and 30,000 kW	\$ 796,780.37	\$ 790,695.77	\$ (6,084.60)	-0.76%
18					
19	<u>Large General Service Transmission - 115 kV + (Non-Summer)</u>				
20					
21	7,600,000 kWh and 12,000 kW	\$ 296,278.28	\$ 304,570.67	\$ 8,292.39	2.80%
22	11,000,000 kWh and 18,000 kW (average)	\$ 433,588.21	\$ 442,231.81	\$ 8,643.60	1.99%
23	20,000,000 kWh and 30,000 kW	\$ 747,545.53	\$ 757,109.00	\$ 9,563.47	1.28%
24					
25	<u>Large General Service Transmission - 115 kV + (Annualized)</u>				
26					
27	7,600,000 kWh and 12,000 kW	\$ 303,019.19	\$ 306,114.52	\$ 3,095.33	1.02%
28	11,000,000 kWh and 18,000 kW (average)	\$ 443,875.85	\$ 447,316.29	\$ 3,440.44	0.78%
29	20,000,000 kWh and 30,000 kW	\$ 763,957.14	\$ 768,304.59	\$ 4,347.45	0.57%

Southwestern Public Service Company
- New Mexico Retail
Comparison of Bills under Current Base Rates with Proposed R*C Rates
16 YRS, 15 MW Subscription

Line No	Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
1	<u>Large General Service Transmission - 115 kV + (Summer)</u>				
2					
3					
4	11,000,000 kWh and 18,000 kW (average)	\$ 464,451.12	\$ 453,463.74	\$ (10,987.38)	-2.37%
5	20,000,000 kWh and 30,000 kW	\$ 796,780.37	\$ 786,674.27	\$ (10,106.10)	-1.27%
6					
7	<u>Large General Service Transmission - 115 kV + (Non-Summer)</u>				
8					
9					
10	11,000,000 kWh and 18,000 kW (average)	\$ 433,588.21	\$ 445,983.61	\$ 12,395.40	2.86%
11	20,000,000 kWh and 30,000 kW	\$ 747,545.53	\$ 760,860.81	\$ 13,315.28	1.78%
12					
13	<u>Large General Service Transmission - 115 kV + (Annualized)</u>				
14					
15					
16	11,000,000 kWh and 18,000 kW (average)	\$ 443,875.85	\$ 448,476.99	\$ 4,601.14	1.04%
17	20,000,000 kWh and 30,000 kW	\$ 763,957.14	\$ 769,465.30	\$ 5,508.16	0.72%

Southwestern Public Service Company
- New Mexico Retail
Comparison of Bills under Current Base Rates with Proposed R*C Rates
16 YRS, 30 MW Subscription

Line No	Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
1	20,000,000 kWh and 30,000 kW	\$ 796,780.37	\$ 815,932.70	\$ 19,152.33	2.40%
2					
3	<u>Large General Service Transmission - 115 kV + (Non-Summer)</u>				
4					
5					
6					
7	20,000,000 kWh and 30,000 kW	\$ 747,545.53	\$ 772,076.76	\$ 24,531.23	3.28%
8					
9	<u>Large General Service Transmission - 115 kV + (Annualized)</u>				
10					
11					
12					
13	20,000,000 kWh and 30,000 kW	\$ 763,957.14	\$ 786,695.41	\$ 22,738.27	2.98%

Southwestern Public Service Company
- New Mexico Retail
Comparison of Bills under Current Base Rates with Proposed R*C Rates
10 YRS, 5 MW Subscription

Line No	Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
1	<u>Large General Service Transmission - 69 kV (Summer)</u>				
2	4,200,000 kWh and 7,500 kW	\$ 192,928.96	\$ 189,420.98	\$ (3,507.98)	-1.82%
3	5,800,000 kWh and 10,000 kW	\$ 258,167.38	\$ 254,913.59	\$ (3,253.79)	-1.26%
4					
5	<u>Large General Service Transmission - 69 kV (Non-Summer)</u>				
6	4,200,000 kWh and 7,500 kW	\$ 179,546.08	\$ 183,872.27	\$ 4,326.19	2.41%
7	5,800,000 kWh and 10,000 kW	\$ 241,199.94	\$ 245,527.75	\$ 4,327.81	1.79%
8					
9	<u>Large General Service Transmission - 69 kV (Annualized)</u>				
10	4,200,000 kWh and 7,500 kW	\$ 184,007.04	\$ 185,721.84	\$ 1,714.80	0.93%
11	5,800,000 kWh and 10,000 kW	\$ 246,855.75	\$ 248,656.36	\$ 1,800.61	0.73%
12					
13	<u>Large General Service Transmission - 115 kV + (Summer)</u>				
14	3,500,000 kWh and 6,000 kW	\$ 155,726.29	\$ 152,433.95	\$ (3,292.34)	-2.11%
15	7,600,000 kWh and 12,000 kW	\$ 316,501.02	\$ 313,717.72	\$ (2,783.30)	-0.88%
16	11,000,000 kWh and 18,000 kW (average)	\$ 464,451.12	\$ 462,000.74	\$ (2,450.38)	-0.53%
17	20,000,000 kWh and 30,000 kW	\$ 796,780.37	\$ 787,877.50	\$ (8,902.87)	-1.12%
18					
19	<u>Large General Service Transmission - 115 kV + (Non-Summer)</u>				
20	3,500,000 kWh and 6,000 kW	\$ 144,868.79	\$ 149,301.04	\$ 4,432.25	3.06%
21	7,600,000 kWh and 12,000 kW	\$ 296,278.28	\$ 293,688.26	\$ (2,590.02)	-0.87%
22	11,000,000 kWh and 18,000 kW (average)	\$ 433,588.21	\$ 438,652.31	\$ 5,064.10	1.17%
23	20,000,000 kWh and 30,000 kW	\$ 747,545.53	\$ 753,522.25	\$ 5,976.72	0.80%
24					
25	<u>Large General Service Transmission - 115 kV + (Annualized)</u>				
26	3,500,000 kWh and 6,000 kW	\$ 148,487.96	\$ 150,345.34	\$ 1,857.38	1.25%
27	7,600,000 kWh and 12,000 kW	\$ 303,019.19	\$ 300,364.75	\$ (2,654.44)	-0.88%
28	11,000,000 kWh and 18,000 kW (average)	\$ 443,875.85	\$ 446,435.12	\$ 2,559.27	0.58%
29	20,000,000 kWh and 30,000 kW	\$ 763,957.14	\$ 764,974.00	\$ 1,016.86	0.13%

Southwestern Public Service Company
- New Mexico Retail
Comparison of Bills under Current Base Rates with Proposed R*C Rates
10 YRS, 10 MW Subscription

Line No	Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
1	<u>Large General Service Transmission - 69 kV (Summer)</u>				
2					
3	5,800,000 kWh and 10,000 kW	\$ 258,167.38	\$ 284,694.40	\$ 26,527.02	10.28%
4					
5	<u>Large General Service Transmission - 69 kV (Non-Summer)</u>				
6					
7	5,800,000 kWh and 10,000 kW	\$ 241,199.94	\$ 255,263.54	\$ 14,063.60	5.83%
8					
9	<u>Large General Service Transmission - 69 kV (Annualized)</u>				
10					
11	5,800,000 kWh and 10,000 kW	\$ 246,855.75	\$ 265,073.83	\$ 18,218.08	7.38%
12					
13	<u>Large General Service Transmission - 115 kV + (Summer)</u>				
14					
15	7,600,000 kWh and 12,000 kW	\$ 316,501.02	\$ 310,190.22	\$ (6,310.80)	-1.99%
16	11,000,000 kWh and 18,000 kW (average)	\$ 464,451.12	\$ 458,473.25	\$ (5,977.87)	-1.29%
17	20,000,000 kWh and 30,000 kW	\$ 796,780.37	\$ 791,683.78	\$ (5,096.59)	-0.64%
18					
19	<u>Large General Service Transmission - 115 kV + (Non-Summer)</u>				
20					
21	7,600,000 kWh and 12,000 kW	\$ 296,278.28	\$ 304,915.28	\$ 8,637.00	2.92%
22	11,000,000 kWh and 18,000 kW (average)	\$ 433,588.21	\$ 442,576.42	\$ 8,988.21	2.07%
23	20,000,000 kWh and 30,000 kW	\$ 747,545.53	\$ 757,453.62	\$ 9,908.09	1.33%
24					
25	<u>Large General Service Transmission - 115 kV + (Annualized)</u>				
26					
27	7,600,000 kWh and 12,000 kW	\$ 303,019.19	\$ 306,673.59	\$ 3,654.40	1.21%
28	11,000,000 kWh and 18,000 kW (average)	\$ 443,875.85	\$ 447,875.36	\$ 3,999.51	0.90%
29	20,000,000 kWh and 30,000 kW	\$ 763,957.14	\$ 768,863.67	\$ 4,906.53	0.64%

Southwestern Public Service Company
- New Mexico Retail

10 YRS, 15 MW Subscription

Line No	Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
1	<u>Large General Service Transmission - 115 kV + (Summer)</u>				
2					
3					
4	11,000,000 kWh and 18,000 kW (average)	\$ 464,451.12	\$ 454,945.75	\$ (9,505.37)	-2.05%
5	20,000,000 kWh and 30,000 kW	\$ 796,780.37	\$ 788,156.29	\$ (8,624.08)	-1.08%
6					
7	<u>Large General Service Transmission - 115 kV + (Non-Summer)</u>				
8					
9					
10	11,000,000 kWh and 18,000 kW (average)	\$ 433,588.21	\$ 446,500.53	\$ 12,912.32	2.98%
11	20,000,000 kWh and 30,000 kW	\$ 747,545.53	\$ 761,377.73	\$ 13,832.20	1.85%
12					
13	<u>Large General Service Transmission - 115 kV + (Annualized)</u>				
14					
15					
16	11,000,000 kWh and 18,000 kW (average)	\$ 443,875.85	\$ 449,315.60	\$ 5,439.75	1.23%
17	20,000,000 kWh and 30,000 kW	\$ 763,957.14	\$ 770,303.92	\$ 6,346.78	0.83%

Southwestern Public Service Company
- New Mexico Retail

10 YRS, 30 MW Subscription

Line No	Description	Monthly Bill at Current Rates	Monthly Bill at R*C Rates	\$ Change	% Change
1	<u>Large General Service Transmission - 115 kV + (Summer)</u>				
2					
3					
4					
5	20,000,000 kWh and 30,000 kW	\$ 796,780.37	\$ 818,896.73	\$ 22,116.36	2.78%
6					
7	<u>Large General Service Transmission - 115 kV + (Non-Summer)</u>				
8					
9					
10					
11	20,000,000 kWh and 30,000 kW	\$ 747,545.53	\$ 773,110.60	\$ 25,565.07	3.42%
12					
13	<u>Large General Service Transmission - 115 kV + (Annualized)</u>				
14					
15					
16					
17	20,000,000 kWh and 30,000 kW	\$ 763,957.14	\$ 788,372.64	\$ 24,415.50	3.20%

Workpapers and Native Files

**Attachment RMS-5 is provided in
native format as part of Attachment RMS-1,2,4,5.xlsx**