

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)
2020-2022 ENERGY EFFICIENCY PLAN AND)
ASSOCIATED PROGRAMS; (2) A FINANCIAL)
INCENTIVE PLAN FOR PLAN YEAR 2020;)
(3) RECOVERY OF THE COSTS ASSOCIATED)
WITH A POTENTIAL ENERGY EFFICIENCY)
STUDY OVER A TWO-YEAR TIME PERIOD;)
AND (4) CONTINUATION OF SPS’S ENERGY)
EFFICIENCY TARIFF RIDER TO RECOVER)
ITS ANNUAL PROGRAM COSTS AND)
INCENTIVES,)
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
)
Applicant.)
_____)**

Case No. 19-00140-UT

NOTICE TO CUSTOMERS

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

On May 15, 2019, Southwestern Public Service Company (SPS) filed its Application for approval of its Triennial Energy Efficiency Plan (“Triennial Plan”) for Plan Years 2020, 2021, and 2022 and authorization to recover its 2020 Plan costs through a proposed Energy Efficiency tariff rider (“EE Rider”). More specifically, SPS requests in the Application requests that the Commission issue an order granting the following relief:

- (a) approve SPS’s Triennial Plan and associated Energy Efficiency (EE) programs;
- (b) authorize SPS to apply the Commission’s approval of the 2020 Triennial Plan budget to the entirety of 2020, even if the Commission has not issued a final order by December 31, 2019;
- (c) authorize SPS to fund its Triennial Plan program and administrative costs at three percent of customer bills in accordance with Section 17.7.2.8(C)(1) of the Commission’s Energy Efficiency Rule (“EE Rule”), 17.7.2 NMAC (2017), and Section 62-17-6(A) of the Efficient Use of Energy Act (EUEA), NMSA 1978, Sections 62-17-1 to -11 (2005, as amended through 2019) and to recover these costs through its EE Rider;

- (d) approve SPS's proposed methodology to calculate the financial incentive for each year of the Triennial Plan;
- (e) approve recovery of a financial incentive for 2020 through SPS's EE Rider;
- (f) approve SPS's proposed reconciliation process for the authorized budget and actual plan year expenditures and collections;
- (g) authorize SPS to recover costs associated with an EE Potential Study over a two-year time period beginning in 2020; and
- (h) grant all other approvals, authorizations, and relief that may be required under the EUEA, the EE Rule, and the New Mexico Public Utility Act (NMSA 1978, Section 62-3-1 et seq.) for SPS to implement the approved Triennial Plan and EE Rider.

SPS's Triennial Plan proposes seven Residential Segment (including Low-Income) programs, one Business Segment program, and a Planning and Research Segment.

The EUEA allows a utility that undertakes cost-effective energy efficiency programs to recover its prudent and reasonable costs, along with Commission-approved incentives for demand-side resources through an approved tariff rider or in base rates. Accordingly, SPS proposes to recover \$9,511,304 in program and administrative costs for 2020, subject to future reconciliation of actual expenditures and collections.

In accordance with the EUEA and the EE Rule, SPS proposes to calculate the 2020 EE Rider based on three percent of the lower of either total customer bills or \$75,000 per customer per calendar year. According to the Application, since its last EE Plan proceeding before the Commission, Case No. 18-00139-UT, SPS has accomplished the following: increased this budget by \$636,215 in compliance with the Commission's Final Order in Case No. 18-00139-UT; reduced this budget by \$1,011,043 in accordance with 17.7.2.8(E) NMAC; and further reduced this budget by \$536,634 to account for the final year of 2015 under-collection amortization per the Uncontested Stipulation in Case No. 16-00110-UT.

SPS proposes to implement the 2020 EE Rider on the later of either January 1, 2020 or the first full billing month following Commission approval of the Triennial Plan and SPS's filing of the advice notice.

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

Residential Service

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
0 kWh	\$9.04	\$9.03	\$9.04	\$9.03
250 kWh	\$32.61	\$32.59	\$34.51	\$34.49
500 kWh	\$56.19	\$56.16	\$59.99	\$59.95
750 kWh	\$79.77	\$79.72	\$85.46	\$85.41
900 kWh	\$93.92	\$93.86	\$100.75	\$100.68
1000 kWh	\$103.35	\$103.28	\$110.94	\$110.87
2000 kWh	\$197.66	\$197.53	\$212.84	\$212.70

Small General Service

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
0 kWh	\$14.87	\$14.86	\$14.87	\$14.86
250 kWh	\$34.44	\$34.42	\$35.51	\$35.49
500 kWh	\$54.02	\$53.98	\$56.15	\$56.12
750 kWh	\$73.59	\$73.54	\$76.79	\$76.74
1000 kWh	\$93.17	\$93.10	\$97.44	\$97.37
2000 kWh	\$171.46	\$171.35	\$180.00	\$179.88

Secondary General Service

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
12 kW; 1500kWh	\$269.12	\$268.94	\$307.41	\$307.21
35 kW; 7500 kWh	\$827.81	\$827.26	\$939.49	\$938.87
35 kW; 15000 kWh	\$1,068.96	\$1,068.25	\$1,180.64	\$1,179.86
100 kW; 30000 kWh	\$2,584.95	\$2,583.25	\$2,904.05	\$2,902.14

Primary General Service

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
12kW; 1500 kWh	\$256.03	\$255.86	\$290.98	\$290.78
35 kW; 7500 kWh	\$779.92	\$779.41	\$881.85	\$881.27
35 kW; 1500 kWh	\$1,016.77	\$1,016.10	\$1,118.69	\$1,117.95
100 kW; 30000 kWh	\$2,435.55	\$2,433.96	\$2,726.76	\$2,724.97

Large General Service Transmission (69 kV)*

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
800 kW; 500000 kWh	\$23,677.40	\$23,661.81	\$25,230.54	\$25,213.92
1500 kW; 1000000 kWh	\$42,193.68	\$42,165.89	\$45,164.05	\$45,134.31
6100 kW; 4000000 kWh	\$166,683.86	\$166,574.10	\$178,763.38	\$178,645.66
12200 kW; 8000000 kWh	\$328,077.68	\$328,077.68	\$351,472.40	\$351,472.40

* Section 17.7.2.8(C)(1) of the Energy Efficiency Rule establishes funding for program costs for investor-owned electric utilities at three percent of customer bills or \$75,000 per year, whichever is less.

SPS's Application also includes a request for an annual incentive for its 2020 Plan Year that is based on a percentage of spend. SPS proposes to recover its projected 2020 incentive through a separate charge under its approved 2020 Energy Efficiency Rider concurrent with its Triennial program cost recovery, subject to reconciliation in 2021.

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

For illustrative purposes, SPS has calculated the following annual incentive and associated rate for 2020 based on projected program costs and the value of energy estimated to be saved over the lifetime of the measures installed through its annual energy portfolio:

Year	Financial Incentive (\$)	Financial Incentive Percentage of Bill <i>(incremental to the program cost funding level)</i>
2020	\$595,408	0.127%

SPS's Application also includes a request to recover the costs to perform an EE Potential Study, in accordance with Section 62-17-6(C) of the EUEA and 17.7.2.13(C) NMAC. SPS proposes to recover 50% of the costs in 2020 and 50% of the costs in 2021.

For illustrative purposes, SPS has calculated the 2020 bill impact, if SPS's proposed Energy Efficiency Potential Study is approved, at 0.072%.

If SPS's Application is approved, SPS will implement an Energy Efficiency charge of 3.199%, which is comprised of: (1) 3.000% for SPS's 2020 Energy Efficiency Plan costs; (2) 0.127% for SPS's 2020 energy efficiency incentive; and (3) 0.072% for SPS's proposed Energy Efficiency Potential Study.

On June 6, 2019, the Commission issued an Initial Order commencing this proceeding to consider SPS's Application and appointing the Hearing Examiner to preside over this matter.

Further information regarding this case can be obtained by contacting SPS or the Commission at the addresses and telephone numbers provided below. Additional details regarding the procedural requirements for this proceeding are set forth in the Procedural Order issued by the Hearing Examiner on June 18, 2019. All inquiries or written comments concerning this matter must refer to Case No. 19-00140-UT.

The present procedural schedule for this case is as follows:

- A. Any person desiring to become a party ("intervenor") in this case shall file a motion for leave to intervene in conformity with Rules 1.2.2.23(A) and 1.2.2.23(B) NMAC by no later than August 12, 2019.

- B. A settlement conference attended by SPS, intervenors, and Staff shall be held on August 22, 2019 at a location to be determined. The settlement meeting date may be changed, if necessary, at the discretion of the parties. The parties also may hold subsequent settlement meetings at their discretion.
- C. Staff shall file, and any intervenor may file, direct testimony on or before September 27, 2019. Alternatively, should a settlement be reached among all or some of the parties, a stipulation may be filed no later than September 27, 2019.
- D. If a stipulation is filed as provided above, SPS and Staff shall, and any intervenor may, file direct testimony regarding the stipulation on or before October 11, 2019. Alternatively, any rebuttal testimony to the direct testimony submitted September 27, 2019 shall be filed on or before October 11, 2019.
- E. Any rebuttal testimony to the direct testimony regarding a stipulation shall be filed on or before October 24, 2019.
- F. A public hearing on this matter shall be held on October 30, 2019, commencing at 9:30 a.m. in the Ground Floor Hearing Room of the Commission in the P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, New Mexico, and shall continue if necessary, on October 31, 2019.

Interested persons may appear at the time and place of hearing and make oral or written comment pursuant to 1.2.2.23(F) NMAC without becoming an intervenor. Comments shall not be considered as evidence in this case. *See* 1.2.2.23(F) NMAC. Written comments, which shall reference Case No. 19-00140-UT, may be sent to the Commission at: New Mexico Public Regulation Commission; Attention: Melanie Sandoval, Records Management Bureau, P.E.R.A. Building, 1120 Paseo de Peralta, P.O. Box 1269, Santa Fe, NM 87504-1269, Telephone: (505) 827-6968.

Interested persons should contact the Commission at (505) 827-6956 for confirmation of the hearing date, time, and place since hearings are occasionally rescheduled or, if deemed not required or necessary, canceled at the discretion of the Hearing Examiner or Commission.

SPS's Application, together with the supporting direct testimony, exhibits, and related papers may be examined online at https://www.xcelenergy.com/company/rates_and_regulations/filings or in person at the offices of SPS at the following address:

Southwestern Public Service Company
Attn: Jeff Comer, Regulatory Case Specialist
790 S. Buchanan
Amarillo, Texas 79101
Telephone: (806) 378-2416

The public record for this case may be accessed on the Commission's website at <http://www.nmprc.state.nm.us/> under Case Lookup E-docket or examined in person at the Commission's Records Bureau in the P.E.R.A. Building, 1120 Paseo De Peralta, Santa Fe, New Mexico, (505) 827-6968.

Any person filing pleadings, testimony, and other documents shall file either in person with the Commission's Records Management Bureau in the P.E.R.A. Building in Santa Fe, New Mexico, or by mail addressed to: New Mexico Public Regulation Commission; Attention: Melanie Sandoval, Records Management Bureau, P.E.R.A. Building, 1120 Paseo de Peralta, P.O. Box 1269, Santa Fe, NM 87504-1269. The following physical address shall be used only for special or hand deliveries: Records Management Bureau's fourth floor office, 1120 Paseo de Peralta, Santa Fe, NM 87501. All filings shall be served on the parties of record and Staff on the date of filing as specified in the most recent Certificate of Service ("Official Service List") issued in accordance with 1.2.2.10(C)(4) NMAC. Accordingly, unless otherwise requested or ordered, parties shall serve all pleadings, testimony, and other filings by email only by no later than 5:00 p.m. Mountain Prevailing Time (MPT) on the date filed.

In addition, all filings shall be emailed to the Hearing Examiner by no later than 5:00 p.m. MPT at anthony.medeiros@state.nm.us. Such emailing shall include the Word or other native version of the document(s) (e.g., Excel or Power Point) if created in such format. Any filings not emailed to the Hearing Examiner in compliance with the foregoing requirements are subject to being summarily rejected and stricken from the record in the Hearing Examiner's discretion.

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION AT LEAST 24 HOURS PRIOR TO THE COMMENCEMENT OF THE HEARING, AT EITHER (505) 827-4500 OR 888-427-5772.

ISSUED at Santa Fe, New Mexico this **25th** day of **June 2019**.

NEW MEXICO PUBLIC REGULATION COMMISSION

Anthony F. Medeiros
Hearing Examiner