

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN)	
PUBLIC SERVICE COMPANY’S ENERGY)	
EFFICIENCY COMPLIANCE APPLICATION)	
THAT REQUESTS AUTHORIZATION TO: (1))	
PER APPROVED VARIANCE, CONTINUE ITS:)	
(A) 2017 ENERGY EFFICIENCY AND LOAD)	
MANAGEMENT PROGRAMS FOR PLAN)	
YEAR 2018; (B) 2017 ENERGY SAVINGS GOAL)	CASE NO. 17-00__-UT
FOR PLAN YEAR 2018; (C) ENERGY)	
EFFICIENCY TARIFF RIDER TO RECOVER)	
THE THREE PERCENT FUNDING LEVEL FOR)	
PLAN YEAR 2018 AND RECONCILIATION OF)	
2016 EXPENDITURES AND COLLECTIONS;)	
AND (D) 2017 FINANCIAL INCENTIVE FOR)	
PLAN YEAR 2018 AND RECOVER THE)	
INCENTIVE THROUGH ITS ENERGY)	
EFFICIENCY TARIFF RIDER; AND (2))	
RECOVER THE 2016 RECONCILED)	
FINANCIAL INCENTIVE THROUGH ITS)	
ENERGY EFFICIENCY TARIFF RIDER)	
)	
)	
SOUTHWESTERN PUBLIC SERVICE)	
COMPANY,)	
)	
APPLICANT.)	
)	

APPLICATION

In accordance with the New Mexico Efficient Use of Energy Act, (NMSA 1978, Sections 62-17-1 through 62-17-11, “EUEA”), the New Mexico Public Regulation Commission’s (“Commission”) Energy Efficiency Rule (17.7.2 NMAC, “EE Rule”), and

the Commission's March 1, 2017 Order¹ granting a variance to submit a limited Energy Efficiency and Load Management ("EE/LM") application for Plan Year ("PY") 2018, Southwestern Public Service Company ("SPS") applies to the Commission for an order granting the following relief:

- (a) approve SPS's request to continue its Commission-approved 2017 PY EE/LM programs for 2018 PY and authorize SPS to fund its 2018 EE/LM programs at three percent of customer bills (the "three percent funding level") in accordance with Section 62-17-6(A) of the EUEA and 17.7.2.8(C)(1) NMAC; (*Beaman*)
- (b) approve SPS's request to continue its Commission-approved 2017 energy savings goal for 2018 PY; (*Beaman*)
- (c) approve the continuation for 2018 PY of the incentive mechanism the Commission approved for 2017 PY and authorize recovery through SPS's EE Rider; (*Sakya and Beaman*)
- (d) approve the reconciliation of SPS's Commission-approved 2016 PY incentive and recovery of the under-recovered amount through SPS's EE Rider; (*Sakya*)
- (e) authorize a regulatory asset for the under-recovery of the difference between SPS's 2016 PY EE collections and expenditures and to amortize the regulatory asset through a reduction to the 2018 and 2019 EE program funding levels in conformity with the stipulation approved by the Commission in Case No. 16-00110-UT ("Stipulation"); (*Sakya*)
- (f) approve an overall 2018 EE Rider revenue requirement and authorization to recover these costs through SPS's EE Rider; (*Sakya*) and

¹ Case No. 17-00028-UT, *In the Matter of Southwestern Public Service Company's Application Requesting Approval of: (1) its 2018 Energy Efficiency and Load Management Plan and Associated Programs; (2) Continuation of its Energy Efficiency Tariff Rider and Recovery of the Difference Between SPS's Plan Year 2016 Collections and Expenditures through its Energy Efficiency Tariff Rider; and (3) a Financial Incentive for Plan Year 2018 and Recovery of the Incentive through its Energy Efficiency Tariff Rider*, Order Granting Variance (Mar. 1, 2017)("March 1st Order").

- (g) grant all other approvals, authorizations, and relief that may be required under the EUEA, the EE Rule, and the New Mexico Public Utility Act (NMSA 1978, Sections 62-3-1 et seq., “PUA”) for SPS to implement the approved 2018 Plan and EE Rider.

In support of this Application, SPS states the following:

I. BACKGROUND

1. SPS, a New Mexico corporation, is a fully integrated generation, transmission, and distribution utility that serves retail customers in a 50,000 square-mile area that encompasses the eastern and southeastern portions of New Mexico, as well as the Panhandle and South Plains areas of Texas. SPS serves wholesale electric customers as well. This Commission regulates SPS’s New Mexico retail service and rates, and the Public Utility Commission of Texas regulates SPS’s Texas retail rates and operations. The Federal Energy Regulatory Commission (“FERC”) regulates SPS’s wholesale power sales and transmission of electricity in interstate commerce.

2. SPS’s principal office in New Mexico is located at 111 E. Fifth Street, Roswell, New Mexico 88201. SPS’s principal corporate office is located at 790 South Buchanan Street, Amarillo, Texas 79101.

3. SPS is a wholly-owned subsidiary of Xcel Energy Inc. (“Xcel Energy”), which is a utility holding company under FERC regulations adopted under the Public Utility Holding Company Act of 2005.² In addition to SPS, Xcel Energy is the parent

² 18 C.F.R. Part 366.

company of: three other rate-regulated utility operating companies;³ a regulated natural gas pipeline company; a non-profit service company that was established under the authority of the Securities and Exchange Commission, but which is now under the supervision of the FERC;⁴ three transmission-only operating companies, which are either currently regulated by FERC or expected to be regulated by FERC;⁵ and other legal entities.

4. The following corporate representatives and attorneys of SPS should receive all notices, pleadings, discovery requests and responses, and all other documents related to this case:

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³ Northern States Power Company, a Minnesota corporation; Northern States Power Company, a Wisconsin corporation; and Public Service Company of Colorado, a Colorado corporation.

⁴ Xcel Energy Services Inc.

⁵ Xcel Energy Southwest Transmission Company, LLC; Xcel Energy Transmission Development Company, LLC; and Xcel Energy West Transmission Company, LLC.

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II. SPS CONTINUATION OF THE COMMISSION-APPROVED EE/LM PROGRAMS FOR PY 2018

5. The Commission's March 1st Order authorized SPS's Application for PY 2018 to address, among other items, any EE program updates or modifications for PY 2018. SPS proposes no updates or modifications to the EE/LM programs that were approved by the Commission through the Stipulation for PY 2017. In particular, SPS proposes the continuation of the following programs for the Residential and Business segments:

Residential
• Home Lighting
• School Education Kits
• Residential Energy Feedback
• Home Energy Services
• Residential Cooling
• Residential Saver's Switch
• Smart Thermostat Pilot
Business
• Business Comprehensive
• Interruptible Credit Option

Additionally, SPS's 2018 Plan includes a Planning and Research Segment, which is necessary for the successful implementation of the EE/LM programs.

6. For 2018, SPS proposes the continuation of the Commission-approved energy savings goal for 2017 of 29.444 gigawatt-hour ("GWh") (net customer) or 32.864 GWh (net generator) at a budget of \$9,836,846.

7. Because SPS is proposing no new programs or measures for PY 2018, Sections 62-17-5(E) of the EUEA does not require public participation meetings. In addition, the March 1st Order authorized a variance from 17.7.2.8(B) NMAC, which in part requires solicitation of non-binding recommendations. However, SPS contacted the Commission's Utility Division Staff ("Staff"), the Coalition for Clean Affordable Energy, the Western Resource Advocates, and the New Mexico Attorney General, all of whom were signatories to the Stipulation, to address SPS's planned filing and requested relief for PY 2018.

8. Consistent with Sections 62-17-4(K) and 62-17-5 of the EUEA, the continuation of the PY 2017 portfolio of programs will result in a cost-effective portfolio of programs that are designed to provide every affected customer class with the opportunity to participate and benefit economically. In addition, SPS also evaluated cost-effectiveness using a "tax adjusted" weighted average cost of capital ("WACC") as was required, on a going-forward basis, for El Paso Electric Company in Case No.

16-00185-UT.⁶ While the use of the “tax adjusted” WACC results in some of the programs no longer meeting the Utility Cost Threshold (“UCT”) test, the portfolio of programs continues to be cost-effective, and thus, complies with Section 62-17-5(C) of the EUEA.

9. SPS will continue its existing 2017 PY EE/LM programs, as approved in Case No. 16-00110-UT, until a final order is issued in this proceeding.

III. SPS’s CONTINUATION OF THE COMMISSION-APPROVED 2017 EE INCENTIVE MECHANISM FOR PY 2018

10. SPS requests the Commission continue for PY 2018 the EE incentive mechanism that was approved for 2017 in Section 1.5 of the Stipulation.

11. The continuation of the 2017 EE incentive mechanism for PY 2018 would result in an estimated base incentive of \$668,905 which meets the requirements under 17.7.2.8(L) NMAC.

IV. SPS’s PROGRAM COST TARIFF RIDER

12. In accordance with Section 62-17-6(A) of the EUEA and 17.7.2.13 NMAC, SPS proposes to recover its prudent and reasonable program costs for PY 2018 through a Commission-approved tariff rider (i.e., EE Rider) that will apply to all SPS

⁶ *In the Matter of the Application of El Paso Electric Company for Approval of 2017 Energy Efficiency and Load Management Plan, Utility Incentive and Revised Rate No. 17 – Efficient Use of Energy Recovery Factor*, Case No. 16-00185-UT, Final Order Approving Recommended Decision (Feb. 22, 2017).

New Mexico retail rate schedules over a 12-month period, subject to the statutory cap and exemptions under the EUEA.

13. In accordance with Section 62-17-6(A) of the EUEA, funding for EE/LM program costs are set at three percent of billed revenue under SPS's current rates, adjusted for the PY 2016 underage, excluding gross receipts tax and franchise fees. SPS's proposed EE Rider is applicable to all of its New Mexico retail schedules, subject to the statutory cap and exemptions under the EUEA. SPS's PY 2018 program costs are estimated to be \$9,836,846 and these program costs will be recovered through its EE Rider.

14. The proposed EE Rider rate is intended to recover the program and administrative costs for PY 2018, exclusive of any incentive recovery.⁷ Accordingly, any charge for incentive recovery will be a separate charge under the EE Rider.

15. SPS proposes to recover the difference between its PY 2016 EE collections and expenditures through its EE Rider over a two-year period as authorized by Section 2.1 of the Stipulation.

16. In accordance with Section 62-17-6(A) of the EUEA and 17.7.2.13(B) NMAC, SPS proposes to recover its projected PY 2018 incentive through the 2018 EE Rider. SPS further proposes to reconcile the actual incentive earned for PY 2018 versus the projected incentive that is used in the EE Rider.

⁷ Section 62-17-4(I) of the EUEA defines program costs as exclusive of any charges for incentives or the removal of regulatory disincentives.

17. The proposed EE Rider for PY 2018 will remain in place until the effective date of the next Commission-approved tariff rider and is designed to recover 2018 program costs and incentives and the 2016 reconciliation as approved by the Commission.

V. MISCELLANEOUS MATTERS

18. In support of SPS's Application, SPS is concurrently filing the direct testimony of the following witnesses:

(a) Ruth M. Sakya, whose testimony provides: (i) a summary of SPS's request for relief in this case; (ii) an introduction of SPS's other witness in the case; (iii) an explanation of how SPS determined the funding level for its PY 2018 EE/LM programs; (iv) the calculation of the 2018 EE Rider, which includes program and administrative costs, the proposed PY 2018 financial incentive, the reconciliation of the 2016 EE Rider, and the reconciliation of prior period under-collections, and the resultant projected customer bill impacts; (v) SPS's requested continuation of the 2017 financial incentive for PY 2018, which is consistent with the EUEA and the Commission's EE Rule; (vi) the reconciliation of SPS's Commission-approved 2016 PY incentive; (vii) a discussion of the use of "after tax" WACC for UCT calculations; and (viii) the timing of SPS's status report of its calendar year collections as compared to its forecasted collections, in compliance with Section 2.3 of the Stipulation.

(b) Donna A. Beaman, whose testimony: (i) describes and supports SPS's request to continue the Commission-approved 2017 EE/LM programs for PY 2018; (ii) discusses SPS's EE/LM budgeting process and how the new budget for PY 2018 is allocated to the PY 2018 EE/LM programs; (iii) describes the cost-effectiveness of the PY 2018 EE/LM programs and portfolio of programs; (iv) supports SPS's request to continue its Commission-approved 2017 energy savings goal for PY 2018; (v) discusses SPS's compliance with prior commission orders; (vi) discusses the measurement and verification process associated with SPS's proposed PY 2018 programs; (vii) supports the Planning and Research segment programs and budgets; and (viii) describes and supports SPS's proposal for an incentive mechanism for PY 2018.

19. SPS will serve a copy of this Application and the supporting direct testimony on the parties to SPS's most recent electric rate case (Case No. 15-00296-UT)⁸ and SPS's most recently-approved EE/LM plan filing (Case No. 16-00110-UT).

20. Pursuant to the requirements of 17.1.2.10 NMAC, *Application for New Rates*, SPS is attaching the following documents to the Application:

(a) SPS's Proposed Notice to Customers (Exhibit A), which will be published in newspapers of general circulation in SPS's service area. SPS will also notify affected customers through inserts in all SPS New Mexico retail customer's bills; and

⁸ *In the Matter of Southwestern Public Service Company's Application for Revision of its Retail Rates Under Advice Notice No. 256*, Case No. 15-00296-UT, Final Order Adopting Certification of Stipulation with Modification (Aug. 10, 2016).


- (b) a copy of SPS's proposed Advice Notice, Table of Contents, and EE Rider (Exhibit B).

WHEREFORE, SPS requests that the Commission:

- (a) approve SPS's request to continue its Commission-approved 2017 PY EE/LM programs for 2018 PY and authorize SPS to fund its 2018 EE/LM programs at three percent of customer bills;
- (b) approve SPS's request to continue its Commission-approved 2017 energy savings goal for 2018 PY;
- (c) approve the continuation for 2018 PY of the incentive mechanism the Commission approved for 2017 PY and authorize recovery through SPS's EE Rider;
- (d) approve the reconciliation of SPS's Commission-approved 2016 PY incentive and recovery of the under-recovered amount through SPS's EE Rider;
- (e) authorize a regulatory asset for the under-recovered difference between SPS's 2016 PY EE collections and expenditures and to amortize the regulatory asset through a reduction to the 2018 and 2019 EE program funding levels in conformity with the Stipulation approved by the Commission in Case No. 16-00110-UT;
- (f) approve the overall 2018 EE Rider revenue requirement and authorize SPS to recover these costs through the EE Rider; and
- (g) grant all other approvals, authorizations, and relief that may be required under the EUEA, the EE Rule, and the PUA for SPS to implement the approved 2018 Plan and EE Rider.

Respectfully submitted,

HINKLE SHANOR LLP



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EXHIBIT A

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY'S ENERGY)
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RECOVER THE 2016 RECONCILED)
FINANCIAL INCENTIVE THROUGH ITS)
ENERGY EFFICIENCY TARIFF RIDER)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
APPLICANT.)

NOTICE TO CUSTOMERS

NOTICE is given by the New Mexico Public Regulation Commission ("Commission") of the following:

1. On July 3, 2017, Southwestern Public Service Company ("SPS") filed its application for continuation of its Commission-approved Plan Year 2017 Energy Efficiency and Load Management ("EE/LM") programs for the 2018 Plan Year ("PY") ("Application") and approval of, and authorization to recover costs through a proposed Energy Efficiency tariff rider ("EE Rider"). SPS proposes no updates or modifications to the EE/LM programs that were approved by the Commission through the Stipulation for 2017 PY in Case No. 16-00110-UT. In particular, SPS proposes the continuation of seven (7) Residential Segment (including Low-Income) programs and two (2) Business

Segment programs. Additionally, SPS's EE/LM Programs includes a Planning and Research Segment, which is necessary for program implementation.

2. The Efficient Use of Energy Act ("EUEA") allows a utility that undertakes cost-effective EE/LM Programs to recover its prudent and reasonable costs, along with Commission-approved incentives for demand-side resources and load management programs through an approved tariff rider or in base rates. Accordingly, SPS proposes to recover \$9,836,846 in program and administrative costs for its 2018 EE/LM Programs, subject to future reconciliation of actual expenditures and collections.

3. SPS proposes to calculate the 2018 EE Rider based on three percent of total customer bills, or \$75,000 per customer per calendar year, whichever is lower, in accordance with the EUEA and EE Rule. SPS proposes to implement the 2018 EE Rider on the later of January 1, 2018 or the first full billing month following Commission approval of the 2018 Application and SPS's filing of the advice notice.

4. 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	\$8.77	\$8.80	\$8.77	\$8.80
250 kWh	\$32.01	\$32.11	\$35.93	\$36.04
500 kWh	\$55.26	\$55.42	\$63.11	\$63.29
750 kWh	\$78.51	\$78.74	\$90.28	\$90.54
1,000 kWh	\$101.76	\$102.05	\$117.44	\$117.78
2,000 kWh	\$194.74	\$195.30	\$226.11	\$226.77

Secondary General Service

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
0 kW; 5,000 kWh	\$207.71	\$208.31	\$207.71	\$208.31
10 kW; 7,500 kWh	\$442.20	\$443.49	\$472.44	\$473.81
15 kW; 10,000 kWh	\$604.72	\$606.48	\$650.08	\$651.97
20 kW; 12,500 kWh	\$767.24	\$769.47	\$824.72	\$830.12
30 kW; 15,000 kWh	\$1,001.75	\$1,044.66	\$1,092.46	\$1,095.64
50 kW; 20,000 kWh	\$1,470.74	\$1,475.02	\$1,621.93	\$1,626.65

Primary General Service

	Winter Months		Summer Months	
Consumption Level	Present	Proposed	Present	Proposed
0 kW; 7,500 kWh	\$335.70	\$336.68	\$335.70	\$336.68
10 kW; 10,000 kWh	\$549.10	\$550.69	\$576.34	\$578.02
15 kW; 12,500 kWh	\$697.65	\$699.68	\$738.52	\$740.67
20 kW; 15,000 kWh	\$846.20	\$848.66	\$900.69	\$903.31
30 kW; 20,000 kWh	\$1,143.29	\$1,146.61	\$1,225.03	\$1,228.59
45 kW; 25,000 kWh	\$1,505.25	\$1,509.63	\$1,627.86	\$1,632.59

Large General Service Transmission (69 kV)*

	Winter Months		Summer Months	
Consumption Level	Present	Proposed	Present	Proposed
1,000 kW; 500,000 kWh	\$26,833.65	\$26,911.66	\$28,649.97	\$28,733.26
2,000 kW; 1,000,000 kWh	\$52,187.83	\$52,339.54	\$55,820.47	\$55,982.74
3,000 kW; 1,500,000 kWh	\$77,542.00	\$77,767.42	\$82,990.96	\$83,232.22
4,000 kW; 2,000,000 kWh	\$102,896.18	\$103,195.30	\$110,161.46	\$110,481.70
5,000 kW; 2,500,000 kWh	\$128,250.36	\$128,623.18	\$137,331.96	\$137,731.18
6,000 kW; 3,500,000 kWh	\$170,155.75	\$170,650.39	\$181,053.67	\$181,579.99

* Section 17.7.2.8(C)(1) of the EE 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.

5. SPS's Application also includes a request for an annual incentive for its 2018 PY that is based on a percentage of spend, adjusted for utility-specific performance factors including spending, achievement, and low-income funding. SPS proposes to recover its projected 2018 incentive through a separate charge under its approved 2018 EE Rider concurrent with its 2018 program cost recovery, subject to a reconciliation in 2019.

6. For illustrative purposes, SPS has calculated the following annual incentive and associated rate for 2018 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 efficiency and load management portfolio:

Year	Total Financial Incentive (\$)	Financial Incentive Percentage of Bill (<i>incremental to the program cost funding level</i>)
2018	\$838,883	0.267%

7. SPS's Application also requests authorization for SPS to recover through its EE Rider a 2013 tracker balance and costs and incentives for the 2013 and 2014 PYs that were authorized by the Commission in Case No. 15-00376-UT.

8. For illustrative purposes, SPS has calculated the bill impact of the reconciliation of SPS's 2013 and 2014 under collection, at 0.236%.

9. SPS's Application also includes a request to create a regulatory asset for the under-recovered difference between SPS's 2016 PY EE collections and expenditures and to amortize the regulatory asset through a reduction to the 2018 and 2019 EE program funding levels in conformity with the Stipulation approved by the Commission in Case No. 16-00110-UT.

10. If SPS's Application is approved, SPS will implement an EE charge of 3.50%, which is comprised of: (1) 3.0% for SPS's 2018 PY EE costs; (2) 0.267% for SPS's 2018 PY EE incentive; and (3) 0.236% for 2013 and 2014 under-collections authorized in Case No. 15-00376-UT.

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

12. The Commission has assigned Case No. 17-00____-UT to this case and all inquiries or written comments concerning this case should refer to that case number.

13. By order issued in this case on _____, 2017, the Hearing Examiner has established the following procedural schedule and requirements for this case:

- A. Any person desiring to intervene to become a party ("intervenor") to this case must file a motion for leave in conformity with NMPRC Rules of Procedure 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before _____, 2017.
- B. A settlement meeting between and among the parties to this case shall be held on _____ at a location to be determined.
- C. Staff shall, and any intervenor may, file direct testimony on or before _____, 2017; alternatively, a stipulation may be filed on or before _____, 2017.

D. Any rebuttal testimony or testimony in support of a stipulation shall be filed on or before _____, 2017.

E. A public hearing will be held beginning at _____ on _____, 2017, commencing at _____.m. MST and continuing as necessary on _____, 2017 at the Commission's offices in the P.E.R.A. Building, 1120 Paseo De Peralta, Santa Fe, New Mexico, for purposes of hearing and receiving testimony, exhibits, arguments, and any other appropriate matters relevant to this proceeding.

14. Interested persons should contact the Commission for confirmation of the hearing date, time, and place since hearings are occasionally rescheduled.

15. Unless otherwise ordered or approved by the Hearing Examiner, at the public hearing in this case, only pre-filed prepared written testimony, in question and answer form and verified by the witness for a party, and examination of witnesses on such pre-filed testimony shall be accepted, received in evidence, and considered along with other relevant and otherwise admissible exhibits.

16. The procedural dates and requirements provided herein are subject to further Order of the Commission or Hearing Examiner.

17. Any interested person may appear at the time and place of hearing and make written or oral comment pursuant to 1.2.2.23(F) NMAC without becoming an intervenor. All such comments will not be considered as evidence in this case. Written comments, which shall reference NMPRC Case No. 17-00____-UT, also may be sent to the Commission at the following address:

New Mexico Public Regulation Commission
P.E.R.A. Building
1120 Paseo de Peralta
P.O. Box 1269
Santa Fe, NM 87504-1269
Telephone: 1-888-427-5772

18. Any interested person may examine SPS's Application and supporting documents at the offices of SPS, 111 E. Fifth Street, Roswell, New Mexico, 790 S. Buchanan Street, Amarillo, Texas, telephone (800) 895-4999 or at the offices of the Commission, at the address set out in Paragraph 17 above.

19. Further information concerning this case may be obtained by contacting the Commission at the address set out above or by contacting:

Southwestern Public Service Company
c/o Jeff Comer, Regulatory Case Specialist
790 S. Buchanan Street,
Amarillo, Texas 79101

20. Any person filing pleadings, testimony, and other documents in this case may file either in person at the Commission's docketing office in the P.E.R.A. Building in Santa Fe, New Mexico, or by mail to the Commission's address at P.O. Box 1269, Santa Fe, New Mexico 87504-1269, and shall serve copies thereof on all parties of record and Staff in the way(s) specified on the Certificate of Service for this case. All filings shall be e-mailed on the date they are filed with the Commission and shall also be e-mailed on the same date to the Hearing Examiner at _____@state.nm.us. Additionally, all documents e-mailed to the Hearing Examiner shall include versions created in Word or other native format.

21. 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.

ISSUED at Santa Fe, New Mexico on this ____ day of _____ 2017.

**NEW MEXICO PUBLIC REGULATION
COMMISSION**

Hearing Examiner

EXHIBIT B

SOUTHWESTERN PUBLIC SERVICE COMPANY

ADVICE NOTICE NO. 269


July 3, 2017

NEW MEXICO PUBLIC REGULATION COMMISSION OF THE STATE OF NEW MEXICO

Southwestern Public Service Company hereby gives notice to the public and the Commission of the filing of the following changes in its Energy Efficiency Rider rate effective August 2, 2017.

Rate No.	Title of Sheet	Canceling Rate No.	Effective Date
Ninetieth Rev.	Table of Contents – Electric Rate Schedules	Eighty-Ninth Rev.	August 2, 2017
Fourteenth Rev. 44	Energy Efficiency Rider	Thirteenth Rev. 44	August 2, 2017

SOUTHWESTERN PUBLIC SERVICE COMPANY



Evan D. Evans
Director - Regulatory and Pricing Analysis
Southwestern Public Service Company

EXHIBIT B
SOUTHWESTERN PUBLIC SERVICE COMPANY

NINETIETH REVISED TABLE OF CONTENTS
CANCELING EIGHTY-NINTH REVISED TABLE OF CONTENTS
ELECTRIC RATE SCHEDULES

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X

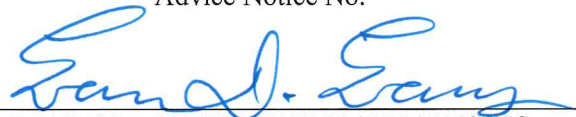
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<u>Rate No.</u>	<u>Tariff No.</u>	<u>Title</u>	<u>Territory</u>
			Except where otherwise stated; Artesia, Carlsbad, Clovis, Dexter, Eunice, Hagerman, Hobbs, Jal Lake Arthur, Loving, Malaga, Otis, Portales, Roswell, Texico, and Tucumcari
1	1018.17	Residential Service	
3	2002.21	Irrigation Power Service	
4	3018.33	Purchases from Qualifying Facility	
6	3110.18	Small General Service	
13	4106.17	Primary General Service	
14	5027.12	Municipal Street Lighting Service	
16	6016.17	Large Municipal and School Service	
26	7004.8	Miscellaneous Service Charges	
27	4107.6	SLCA Integrated Projects Energy Rider	Cannon AFB, Clovis
28	5118.7	Area Lighting Service	
31	7201.2	Photovoltaic Water Pumping Systems	

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X

Advice Notice No.



DIRECTOR - REGULATORY AND PRICING
ANALYSIS

EXHIBIT B
SOUTHWESTERN PUBLIC SERVICE COMPANY

NINETIETH REVISED TABLE OF CONTENTS
CANCELING EIGHTY-NINTH REVISED TABLE OF CONTENTS
ELECTRIC RATE SCHEDULES

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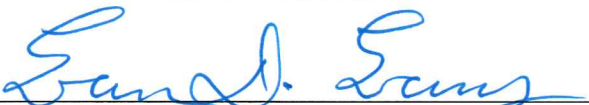
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<u>Rate No.</u>	<u>Tariff No.</u>	<u>Title</u>	<u>Territory</u>
			Except where otherwise stated; Artesia, Carlsbad, Clovis, Dexter, Eunice, Hagerman, Hobbs, Jal Lake Arthur, Loving, Malaga, Otis, Portales, Roswell, Texico, and Tucumcari
33	7202.3	Renewable Energy Rate Rider	
34	4110.5	Large General Service - Transmission	
39	1017.4	Residential Heating Service	
40	4060.4	Secondary General Service	
42	6018.4	Small Municipal and School Service	
44	7203.14	Energy Efficiency Rider	X
48	1022.1	Residential Controlled Air Conditioning and Water Heating Rider	
49	3009.1	Commercial and Industrial Controlled Air Conditioning Rider	
50	4040.2	Interruptible Credit Option	
52	5004.7	Small Solar Distributed Generation Program	
53	5005.7	Medium Solar Distributed Generation Program	
54	5006.6	Large Solar Distributed Generation Program	

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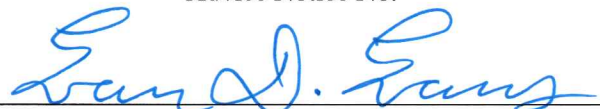
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57	5009.3	Small SDG-REC Purchase Program	
58	5010.3	Medium SDG-REC Purchase Program	
59	5011.3	Distributed Generation Standby Service	
60	5012.1	Voluntary Load Reduction Purchase Option	
61	5013.1	Summer Only Interruptible Credit Option	
62	5014.3	3 rd Party Small Solar Distributed Generation Program	
63	5015.3	3 rd Party Medium Solar Distributed Generation Program	
64	5016.2	3 rd Party Large Solar Distributed Generation Program	
65	5017.2	3 rd Party Small Biomass Distributed Generation Program	
66	5018.2	3 rd Party Medium Biomass Distributed Generation Program	
67	4026.3	Standby Service Rider	
70	7204.3	Renewable Portfolio Cost Rider	
72	7107.2	Fuel and Purchased Power Cost Adjustment Clause	

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73	4030	General Service – Experimental Time of Use Rate	
75	7207	Residential Smart Thermostat Pilot	

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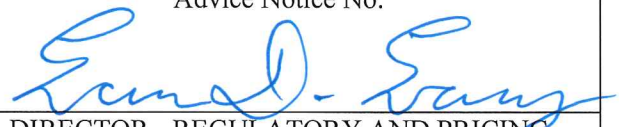

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FOURTEENTH REVISED RATE NO. 44
CANCELING THIRTEENTH REVISED RATE NO. 44

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ENERGY EFFICIENCY RIDER

Tariff No. 7203.14

X

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

TERRITORY: Area served by the Company in New Mexico.

RIDER: For the 2018 Plan Year, there shall be included on each non-exempt customer's bill an Energy Efficiency charge, which shall be calculated by multiplying all of the Company's utility charges (including the service availability charge, energy charge, the fuel and purchased power cost adjustment clause charge, and where applicable, the demand charge and other authorized charges), except gross-receipt taxes and franchise fees, by a percentage equal to 3.50 percent. The 3.50% is comprised of: (1) 3.0% for SPS's 2018 Energy Efficiency Plan costs; (2) 0.267% for SPS's 2018 energy efficiency incentive; and (3) 0.236% for 2013 and 2014 collections authorized in Case No. 15-00376-UT.

X

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X

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

ANNUAL RECONCILIATION OF AUTHORIZED ENERGY EFFICIENCY INCENTIVES:

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

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

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

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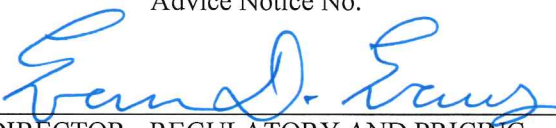

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ENERGY EFFICIENCY RIDER

Tariff No. 7203.14

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STATUTORY CAPS: Funding for program costs for investor-owned electric utilities shall be three percent of customer bills, excluding gross receipts taxes and franchise and right-of-way access fees, or seventy-five thousand dollars (\$75,000) per customer per calendar year, whichever is less, for customer classes with the opportunity to participate. Customer means a utility customer at a single, contiguous field, location or facility, regardless of the number of meters at that field, location or facility.

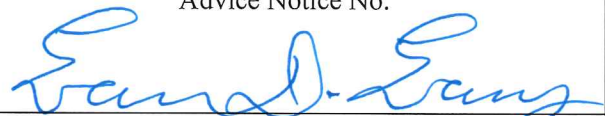
DETERMINATION OF ENERGY EFFICIENCY RIDER EXEMPTION: As described in 17.7.2.11 NMAC, a large customer shall receive an exemption from paying seventy percent of the Energy Efficiency Rider if the customer demonstrates to the reasonable satisfaction of the utility or self-direct program administrator that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

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

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