

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. 17-00159-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.)**

NOTICE TO SPS 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 Residential Segment (including Low-Income) programs and two 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 3% 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

Consumption Level	Winter Months		Summer Months	
	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)*

Consumption Level	Winter Months		Summer Months	
	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 3% 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. 17-00159-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 August 7, 2017, the Hearing Examiner has established the following procedural schedule and requirements for this case:

A. A public hearing will be held beginning at **9:00 A.M. MST November 21, 2017 and continuing as necessary on November 22, 2017**, at the Commission's offices in the Ground Floor Board Room of 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.

B. Interested persons should contact the Commission at (505) 827-6956 for confirmation of the hearing date, time, and place because hearings are occasionally rescheduled.

C. Any person desiring to intervene to become a party ("intervenor") to this case must file a Motion for Leave to Intervene in conformity with NMPRC Rules of Procedure 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before September 5, 2017.

D. Staff shall, and any intervenor may, file direct testimony on or before November 6, 2017. Alternatively, an uncontested stipulation may be filed on or before November 6, 2017.

E. Any rebuttal testimony or testimony in support of an uncontested stipulation shall be filed on or before November 14, 2017.

F. Any person whose testimony has been filed shall attend the hearing and submit to examination under oath.

G. 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.

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

I. 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. 17-00159-UT, also may be sent to the Commission at the following address:

Records Management Bureau
New Mexico Public Regulation Commission
P.E.R.A. Building
1120 Paseo de Peralta
P.O. Box 1269
Santa Fe, NM 87504-1269

J. 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 above.

K. 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

L. 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 frances.sundheim@state.nm.us.

Additionally, all documents e-mailed to the Hearing Examiner shall include versions created in Word or other native format.

M. The Commission's Rules of Procedure, 1.2.2 NMAC, shall apply to this case except as modified by order of the Hearing Examiner or Commission. The Rules of Procedure are available online at the official NMAC website, <http://www.nmcpr.state.nm.us/nmac/>.

N. 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 7th day of August 2017.

NEW MEXICO PUBLIC REGULATION COMMISSION

Frances I. Sundheim
Hearing Examiner