

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN PUBLIC)
SERVICE COMPANY’S SUBMITTAL OF ENERGY)
EFFICIENCY POTENTIAL STUDY PURSUANT)
TO FINAL ORDER IN CASE NO. 19-00140-UT AND)
CORRESPONDING REQUESTS FOR APPROVAL,)
SOUTHWESTERN PUBLIC SERVICE COMPANY,)
APPLICANT.)**

Case No. 21-00186-UT

NOTICE OF PROCEEDING AND HEARING

NOTICE is given of the following matter pending before the New Mexico Public Regulation Commission (“Commission” or NMPRC):

1. On July 15, 2021, Southwestern Public Service Company (SPS) submitted its Energy Efficiency Potential Study (“EE Potential Study”) with the above-captioned Application pursuant to the Final Order in Case No. 19-00140-UT. SPS’s Application includes requests for approval of SPS’s modified Energy Efficiency Plan for Plan Year (PY) 2022 and for approval of, and authorization to recover, its 2022 Plan costs through a proposed Energy Efficiency tariff rider (“EE Rider”). Specifically, the Application requests that the Commission issue an order granting the following relief:

- (a) approve SPS’s proposed revised energy efficiency (EE) savings goal for PYs 2021 through 2025 pursuant to Section 62-17-5(H) of the New Mexico Efficient Use of Energy Act (EUEA), NMSA 1978, Sections 62-17-1 to -11 (as amended through 2020);
- (b) approve revisions to SPS’s approved PY 2022 EE program portfolio and associated budgets;
- (c) authorize SPS to apply the Commission’s approval of the PY 2022 budget to the entirety of 2022, even if the Commission has not issued a final order in this case by December 31, 2021;
- (d) authorize SPS to recover 4.208 percent of customer bills, but no more than \$75,000 from any individual customer, in accordance with EUEA Section 62-17-6(A)(1) and to recover these costs through its EE Rider;
- (e) approve SPS’s proposed methodology to calculate the financial incentive for PYs 2021 and PY 2022;
- (f) approve recovery of a financial incentive for PY 2022 through SPS’s EE Rider;

ATTACHMENT TO PROCEDURAL ORDER

- (g) approve SPS’s reconciliation of PY 2020 expenditures and collections;
- (h) authorize SPS to recover costs associated with the completion of an EE Potential Study over a two-year time period beginning in 2022; and
- (i) grant all other approvals, authorizations, and relief that may be required under the EUEA, the Commission’s Energy Efficiency Rule (17.7.2 NMAC, “EE Rule”), and the New Mexico Public Utility Act (PUA), NMSA 1978, Section 62-3-1 et seq., for SPS to implement the approved PY 2022 EE program portfolio and EE Rider.

2. SPS also filed on July 15, 2021 Advice Notice No. 299, which pertains to revised EE Rider No. 44, with a proposed effective date of August 14, 2021

3. SPS’s modified 2022 Plan proposes seven Residential Segment (including Low-Income) programs, one Business Segment program, and a Planning and Research Segment.

4. 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 \$14,534,799 in program and administrative costs budgeted for PY 2022, subject to future reconciliation of actual expenditures and collections. SPS has included in the proposed PY 2022 program and administrative cost budget the reconciliation of PY 2020 over-collections equaling \$1,727,016, per the Commission’s EE Rule.

5. SPS proposes to calculate the 2022 EE Rider based on a range of three to five percent of total customer bills, or \$75,000 per customer per calendar year, whichever is lower, in accordance with the EUEA and the Commission’s EE Rule. SPS proposes to implement the 2022 EE Rider on the later of January 1, 2022 or the first full billing month following Commission approval of this docket and SPS’s filing of the advice notice.

6. 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	\$9.90	\$10.00	\$9.90	\$10.00
250 kWh	\$32.75	\$33.09	\$36.15	\$36.53
500 kWh	\$55.59	\$56.18	\$62.40	\$63.06
750 kWh	\$78.44	\$79.27	\$88.65	\$89.59
900 kWh	\$92.15	\$93.12	\$104.40	\$105.50
1000 kWh	\$101.28	\$102.36	\$114.90	\$116.11
2000 kWh	\$192.67	\$194.71	\$219.90	\$222.23

Small General Service

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
0 kWh	\$15.78	\$15.94	\$15.78	\$15.94
250 kWh	\$34.67	\$35.03	\$37.28	\$37.67
500 kWh	\$53.56	\$54.12	\$58.78	\$59.40
750 kWh	\$72.45	\$73.21	\$80.28	\$81.13
1000 kWh	\$91.34	\$92.30	\$101.79	\$102.86
2000 kWh	\$166.89	\$168.66	\$187.80	\$189.78

Secondary General Service

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
12 kW; 1500kWh	\$275.21	\$278.13	\$315.18	\$318.52
35 kW; 7500 kWh	\$834.041	\$842.86	\$950.61	\$960.67
35 kW; 15000 kWh	\$1,054.37	\$1,065.53	\$1,170.95	\$1,183.33
100 kW; 30000 kWh	\$2,576.17	\$2,603.43	\$2,909.24	\$2,940.02

Primary General Service

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
12kW; 1500 kWh	\$265.60	\$264.24	\$303.96	\$307.17
35 kW; 7500 kWh	\$780.33	\$788.09	\$892.21	\$901.65
35 kW; 1500 kWh	\$964.23	\$973.83	\$1,076.11	\$1,087.50
100 kW; 30000 kWh	\$2,370.94	\$2,394.53	\$2,690.60	\$2,719.07

Large General Service Transmission (69 kV) *

Consumption Level	Winter Months		Summer Months	
	Present	Proposed	Present	Proposed
800 kW; 500000 kWh	\$21,505.88	\$21,733.41	\$23,262.99	\$23,509.12
1500 kW; 1000000 kWh	\$39,277.96	\$39,693.53	\$42,638.44	\$43,089.57
6100 kW; 4000000 kWh	\$154,748.05	\$156,320.36	\$168,414.00	\$169,573.22
12200 kW; 8000000 kWh	\$305,265.86	\$305,265.86	\$331,771.58	\$331,771.58

* 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.

7. SPS's Application also includes a request for an annual incentive for PYs 2021 and 2022 that is based on a percentage of spend. SPS proposes to recover its projected PYs 2021 and 2022 incentives through a separate charge under its approved PY 2022 EE concurrent with its PY 2022 program cost recovery, subject to reconciliation in 2023.

8. Consistent with 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.

9. For illustrative purposes, SPS has calculated the following annual incentive and associated rate for PYs 2021 and 2022 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>
2021	\$628,586	0.146%
2022	\$857,553	0.200%

10. 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 \$250,000 of the costs in 2022 and the remaining actual costs in 2023.

11. For illustrative purposes, SPS has calculated the 2022 bill impact of the EE Potential Study 0.065%.

12. If SPS's Application is approved, SPS will implement a PY EE Rider charge of 4.208%, which is comprised of: (a) 3.797% for SPS's 2022 EE Plan costs; (b) 0.346% for SPS's PYs 2021 and 2022 energy efficiency incentive; and (c) 0.065% for SPS's EE Potential Study.

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

14. The Commission has assigned Case No. 21-00186-UT to this case and all inquiries or written comments concerning this case should refer to that case number.

15. On August 18, 2021, the Commission issued its Initial Order in this proceeding. In the Initial Order, the Commission suspended Advice Notice No. 299 and appointed the undersigned as Hearing Examiner to preside over this matter, conduct any necessary hearings, and submit a Recommended Decision regarding this case to the Commission.

16. In his Procedural Order issued on August 20, 2021, the Hearing Examiner 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 September 22, 2021. All

motions for leave to intervene shall be served on all existing parties and other proposed intervenors of record.

- B. A settlement conference attended by SPS, intervenors, and Staff shall be held on October 6, 2021, 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 October 14, 2021. Alternatively, should a settlement be reached among all or some of the parties, a stipulation may be filed no later than October 14, 2021.
- D. If a stipulation is filed as provided above, SPS and Staff shall, and any intervenor may, file direct testimony in support of the stipulation on or before October 28, 2021. Alternatively, any rebuttal testimony to the direct testimony submitted October 14, 2021, shall be filed on or before October 28, 2021.
- E. Any rebuttal testimony to the direct testimony regarding a stipulation shall be filed on or before November 10, 2021.
- F. Motions in limine, motions to strike testimony, and other prehearing motions shall be filed on or before November 12, 2021. Responses to such motions shall be filed on or before November 15, 2021.
- G. The public hearing of this matter will be held on November 16, 2021 beginning at 9:30 a.m. Mountain Time (MT) to hear and receive evidence, arguments, and any other appropriate matters relevant to this proceeding. The evidentiary hearing will continue, as necessary, on November 17, 2021. Due to the ongoing COVID-19 pandemic, the evidentiary hearing shall be conducted via the Zoom videoconference platform. Access to and participation in the evidentiary hearing shall be limited to party-participants (i.e., counsel and witnesses), the Commissioners, and other essential Commission personnel. The Zoom hearing will be livestreamed through YouTube and will be displayed on the Commission's website at <https://www.nm-prc.org>. Persons not participating in the evidentiary hearing as an attorney or witness may view the hearing on the Commission's website and shall not join the hearing via Zoom except to provide oral comment as allowed below.
- H. Interested persons who are not affiliated with a party may make oral or written comment pursuant to Rule 1.2.2.23(F) NMAC. Oral comment shall be taken at the beginning of the public hearing in this matter on November 16, 2021 and shall be limited to 3 minutes per commenter. As part of the public hearing, public comment will be taken via the Zoom platform. Therefore, persons wishing to make an oral comment must register in

advance, not later than 8:30 a.m. MT on November 16, 2021, by e-mailing Ana Kippenbrock at Ana.Kippenbrock@state.nm.us. Written comments may be submitted before the Commission takes final action by sending the comment, which shall reference NMPRC Case No. 21-00186-UT, to prc.records@state.nm.us. Public comments, whether oral or written, shall not be considered as evidence in this proceeding.

17. Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner's August 20, 2021 Procedural Order.

18. The Commission's Rules of Procedure, at 1.2.2.1 NMAC et seq., shall apply in this case except as modified or varied by order of the Hearing Examiner or Commission. The Rules of Procedure and other NMPRC rules are available online at the New Mexico Commission of Public Records' State Records Center and Archives website at <http://www.srca.nm.gov/nmac-home/nmac-titles>.

19. Any interested person may examine SPS's Application exhibits and related papers filed in this case on the Commission's website at <https://edocket.nmprc.state.nm.us>; or at the offices of SPS, 111 E. Fifth Street, Roswell, New Mexico, telephone (505) 625-5499 and 790 S. Buchanan Street, Amarillo, Texas, telephone (806) 378-2416.

20. Further information concerning this case may be obtained by contacting the Commission above or by contacting:

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

21. Anyone filing pleadings, documents, or testimony in this case shall comply with the Commission's electronic filing policy, as amended from time to time. This includes filings in .pdf format, with electronic signatures, sent to the Records Bureau's e-mail address, as set out in the Commission's procedural rules at prc.records@state.nm.us or another Records Bureau address as set out on the Commission's webpage (*see* 1.2.2.7(R)(1) NMAC), within regular business hours of the due date in order to be considered timely filed. Documents received after regular business hours will be considered as being filed the next business day. Regular business hours are from 8:00 a.m. to 5:00 p.m. MT. Parties shall serve a copy on all parties of record and Staff. All filings shall be e-mailed by no later than 5:00 p.m. MT on the date they are filed with the Commission.

23. The procedural dates and requirements currently set in this case are subject to further order of the Hearing Examiner. Interested persons should contact the Commission at 505-690-4191 for confirmation of the hearing date, time, and place, since hearings are occasionally rescheduled or canceled if deemed not required in the discretion of the Hearing Examiner.

24. Any person with a disability requiring special assistance to participate in this proceeding should contact the Commission at 505-690-4191 prior to the start of the public hearing.

ISSUED at Santa Fe, New Mexico this **23rd** day of **August 2021**.

NEW MEXICO PUBLIC REGULATION COMMISSION

[electronically signed]
Anthony F. Medeiros
Hearing Examiner