

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

<b>IN THE MATTER OF</b>	)	
<b>SOUTHWESTERN PUBLIC SERVICE</b>	)	
<b>COMPANY’S APPLICATION</b>	)	
<b>REQUESTING: (1)</b>	)	
<b>ACKNOWLEDGEMENT OF ITS</b>	)	
<b>FILING OF THE 2017 ANNUAL</b>	)	
<b>RENEWABLE ENERGY PORTFOLIO</b>	)	
<b>REPORT; (2) APPROVAL OF ITS</b>	)	<b>CASE NO. 18-00201-UT</b>
<b>ANNUAL RENEWABLE ENERGY</b>	)	
<b>PORTFOLIO PROCUREMENT PLAN</b>	)	
<b>FOR PLAN YEAR 2019; (3)</b>	)	
<b>APPROVAL OF THE PROPOSED</b>	)	
<b>RATE FOR ITS 2019 RENEWABLE</b>	)	
<b>PORTFOLIO STANDARD RIDER; (4)</b>	)	
<b>APPROVAL OF ITS PROPOSED</b>	)	
<b>TREATMENT OF RENEWABLE</b>	)	
<b>ENERGY CERTIFICATES</b>	)	
<b>ASSOCIATED WITH THE</b>	)	
<b>SAGAMORE AND HALE WIND</b>	)	
<b>FACILITIES; AND (5) OTHER</b>	)	
<b>ASSOCIATED RELIEF</b>	)	
	)	
<b>SOUTHWESTERN PUBLIC SERVICE</b>	)	
<b>COMPANY, APPLICANT.</b>	)	

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**REVISED NOTICE TO SPS CUSTOMERS**

**REVISED NOTICE IS HEREBY GIVEN that:**

1. This Revised Notice replaces the Notice issued on July 27, 2018.
2. Southwestern Public Service Company (“SPS”) filed its Application with the New Mexico Public Regulation Commission (“Commission” or “NMPRC”) on July 2, 2018, requesting the Commission enter a final order that:

(a) acknowledges SPS's concurrent filing of its 2017 Annual Renewable Energy Portfolio Report ("2017 RPS Report") required under 17.9.572.19 NMAC;

(b) approves SPS's 2019 Annual Renewable Energy Act Plan ("2019 RPS Plan") for the 2019 Plan Year ("Plan Year") and 2020 Next Plan Year ("Next Plan Year") (pursuant to 17.9.572.14 NMAC, the Next Plan Year is submitted for informational purposes) under Rule 572.14 and prior Commission Orders related to SPS's Plan Year and Next Plan Year RPS requirements;

(c) approves SPS's proposed rate for its 2019 RPS Rider, which includes, without limitation, recovery of SPS's RPS-related costs over a 12-month period beginning January 1, 2019;

(d) authorizes SPS to: (i) retire and use the renewable energy certificates ("RECs") associated with the Sagamore and Hale wind facilities for RPS compliance under the REA and Rule 572, as needed; and (ii) sell Sagamore and Hale RECs not needed for RPS compliance and allocate the proceeds as credits to SPS's New Mexico retail customers through SPS's fuel and purchased power cost adjustment clause ("FPPCAC"); and

(e) grants all other approvals, authorizations and relief that may be required for SPS to implement its 2019 RPS Plan.

3. The Commission has directed SPS to submit a proposal to recover, through SPS's RPS Rider, the costs SPS incurs to purchase power and energy from other companies to comply with its RPS requirements. SPS currently recovers those costs through its fuel

and purchased power cost adjustment clause (“FPPCAC”). Under the proposal, SPS would recover the costs of this purchased power and energy through its RPS Rider rather than through its FPPCAC. The change in cost recovery mechanism would not change the total dollar amount of costs SPS charges to customers for purchasing power and energy from other companies to comply with its RPS requirements. However, the change in cost recovery mechanism would shift cost responsibility for an estimated \$2.4 million in purchased power and energy costs from qualified Large Customers to all other customers. The Renewable Energy Act limits the annual dollar amount of RPS costs that a utility can charge qualified Large Customers. SPS will submit this proposal on September 5, 2018.

4. After reflecting this additional proposal, SPS proposes to collect an estimated \$24.1 million in RPS-related costs over a 12-month period, beginning January 1, 2019, through its RPS Rider approved in Case No. 12-00350-UT. SPS proposes to calculate the 2019 RPS Rider using a kilowatt-hour (“kWh”) based rate calculated at \$0.005622 per kWh to apply to all of SPS’s New Mexico retail rate classes, subject to the large customer cap under the Renewable Energy Act and Rule 17.9.572 NMAC.

5. By the Second Procedural Order issued in this case on August 22, 2018, 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”) in 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 14, 2018.

- B. A settlement meeting among the parties to this case shall be held on September 21, 2018 at a location to be determined.
- C. Staff shall, and any intervenor may, file direct testimony on or before noon on October 5, 2018; alternatively, a stipulation may be filed on or before noon on October 5, 2018.
- D. If a stipulation is filed, direct testimony in support of it shall be filed no later than October 15, 2018. Alternatively, if a stipulation is not filed, any rebuttal testimony shall be filed by October 15, 2018.
- E. A public hearing will be held beginning at 9:00 a.m. on October 22, 2018, and continuing as necessary on October 23, 2018, 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 the Application.

6. Under Commission Rules 17.9.572.7(G) and 17.9.572.11, a public utility must, at a minimum, meet its 2019 RPS requirements from the following renewable resources: (i) 30 percent wind energy; (ii) 20 percent solar energy; (iii) 5 percent "Other" energy; and (iv) 3 percent from Distributed Generation ("DG") systems. The remainder of the requirement can be filled with any renewable resource, although new acquisitions must represent the most cost-effective resource. In its 2019 RPS Plan, SPS affirms its expectation to meet the 2019 Plan Year and 2020 Next Plan Year RPS diversity requirements for wind, but not for the solar, "Other," or DG due to constraints under the RCT.

7. The following tables compare, under SPS's current base rates,<sup>1</sup> present bills including the 2018 RPS Rider with anticipated bills including SPS's revised proposed

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<sup>1</sup> SPS's current base rates are subject to change in SPS's pending base rate case — Case No. 17-00255-UT.

2019 RPS Rider, for each affected customer class and for the indicated levels of consumption:

### Residential Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
0 kWh	\$ 8.80	\$ 8.80	\$ -	0.00%
250 kWh	\$ 33.62	\$ 33.59	\$ (0.03)	-0.09%
500 kWh	\$ 58.44	\$ 58.39	\$ (0.05)	-0.09%
750 kWh	\$ 83.26	\$ 83.19	\$ (0.07)	-0.08%
1000 kWh	\$ 108.09	\$ 107.98	\$ (0.11)	-0.10%
2000 kWh	\$ 207.38	\$ 207.16	\$ (0.22)	-0.11%

### Residential Heating Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
0 kWh	\$ 8.80	\$ 8.80	\$ -	0.00%
250 kWh	\$ 31.13	\$ 31.11	\$ (0.02)	-0.06%
500 kWh	\$ 53.47	\$ 53.41	\$ (0.06)	-0.11%
750 kWh	\$ 75.80	\$ 75.72	\$ (0.08)	-0.11%
1000 kWh	\$ 98.13	\$ 98.03	\$ (0.10)	-0.10%
2000 kWh	\$ 187.47	\$ 187.25	\$ (0.22)	-0.12%

### Small General Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
0 kWh	\$ 14.90	\$ 14.90	\$ -	0.00%
250 kWh	\$ 35.52	\$ 35.49	\$ (0.03)	-0.08%

500 kWh	\$ 56.13	\$ 56.08	\$ (0.05)	-0.09%
750 kWh	\$ 76.75	\$ 76.66	\$ (0.09)	-0.12%
1000 kWh	\$ 97.36	\$ 97.25	\$ (0.11)	-0.11%
2000 kWh	\$ 179.82	\$ 179.60	\$ (0.22)	-0.12%

### Secondary General Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
1,500 kWh and 12 kW	\$ 267.76	\$ 267.60	\$ (0.16)	-0.06%
7,500 kWh and 35 kW	\$ 845.75	\$ 844.93	\$ (0.82)	-0.10%
15,000 kWh and 35 kW	\$ 1,124.08	\$ 1,122.44	\$ (1.64)	-0.15%
30,000 kWh and 100 kW	\$ 2,684.93	\$ 2,681.66	\$ (3.27)	-0.12%

### Irrigation Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
1,500 kWh and 12 kW	\$ 162.01	\$ 161.85	\$ (0.16)	-0.10%
7,500 kWh and 35 kW	\$ 668.20	\$ 667.38	\$ (0.82)	-0.12%
15,000 kWh and 35 kW	\$ 1,254.22	\$ 1,252.58	\$ (1.64)	-0.13%
30,000 kWh and 100 kW	\$ 2,531.87	\$ 2,528.60	\$ (3.27)	-0.13%

### Primary General Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
1,500 kWh and 12 kW	\$ 303.66	\$ 303.53	\$ (0.13)	-0.04%
7,500 kWh and 35 kW	\$ 830.79	\$ 830.13	\$ (0.66)	-0.08%
15,000 kWh and 35 kW	\$ 1,089.47	\$ 1,088.17	\$ (1.30)	-0.12%
30,000 kWh and 100 kW	\$ 2,511.69	\$ 2,509.08	\$ (2.61)	-0.10%

### Large General Service Transmission (69 kV)

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
500,000 kWh and 800 kW	\$ 25,998.09	\$ 25,988.70	\$ (9.39)	-0.04%
1,000,000 kWh and 1,500 kW	\$ 45,694.50	\$ 44,605.90	\$ (1,088.60)	-2.38%
4,000,000 kWh and 6,100 kW	\$ 179,124.52	\$ 174,816.59	\$ (4,307.93)	-2.40%
8,000,000 kWh and 12,200 kW	\$ 351,068.07	\$ 342,653.75	\$ (8,414.32)	-2.40%

### Large General Service Transmission (115+ kV)

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
500,000 kWh and 800 kW	\$ 25,735.68	\$ 25,730.46	\$ (5.22)	-0.02%
1,000,000 kWh and 1,500 kW	\$ 46,121.61	\$ 45,041.54	\$ (1,080.07)	-2.34%
4,000,000 kWh and 6,300 kW	\$ 178,957.62	\$ 174,683.45	\$ (4,274.17)	-2.39%
8,000,000 kWh and 13,000 kW	\$ 354,310.31	\$ 345,961.95	\$ (8,348.36)	-2.36%

### Large Municipal and School Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
10,000 kWh and 30 kW	\$ 754.27	\$ 753.18	\$ (1.09)	-0.14%
20,000 kWh and 45 kW	\$ 1,309.15	\$ 1,306.97	\$ (2.18)	-0.17%
30,000 kWh and 75 kW	\$ 2,035.74	\$ 2,032.47	\$ (3.27)	-0.16%

### Small Municipal and School Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2018 RPS Rider	Bills Including Proposed 2019 RPS Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2019	2019	2019
500 kWh	\$ 52.02	\$ 51.96	\$ (0.06)	-0.12%
1,000 kWh	\$ 86.69	\$ 86.58	\$ (0.11)	-0.13%
2,000 kWh	\$ 156.05	\$ 155.83	\$ (0.22)	-0.14%

8. SPS's proposed rate change is for informational purposes only and the final 2019 RPS Rider rate may vary.

9. SPS's Application, 2017 RPS Report, and 2019 RPS Plan, together with supporting prefiled direct and supplemental testimonies and exhibits and related papers, may be examined by any interested person online at the SPS website <http://www.xcelenergy.com/regulatory>, or the Commission's website Case Lookup E-Docket <http://nmprc.state.nm.us/>, or in person at the offices of SPS or the Commission at the following addresses. All inquiries or written comments should refer to Case No. 18-00201-UT.



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577-625-5499 or 1-800-895-4999

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Records Management Bureau  
New Mexico Public Regulation Commission  
PERA Building – 1120 Paseo de Peralta  
Santa Fe, New Mexico 87501  
505-827-6956

10. 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. Interested persons may also send written comments to the Commission at the address set out above. All such comments will not be considered as evidence in this case.

11. The procedural dates and requirements provided herein are as provided in the Second Procedural Order issued in this case, and are subject to further order of the Commission or Hearing Examiner.

12. Any interested person should contact the Commission at 505-827-6956 for confirmation of the hearing date, time and place since hearings are occasionally rescheduled.

13. Anyone filing pleadings or testimony shall serve copies thereof on all parties of record and the Utility Division Staff by first class mail or hand-delivery and by

email as provided by the Second Procedural Order. Any person whose testimony has been prefiled shall attend the hearing and submit to examination under oath.

14. All documents mailed to the Commission and its personnel shall be mailed to: P.O. Box 1269, Santa Fe, New Mexico, 87504. The physical address of the Commission shall be used only for special or hand deliveries. Copies of all filings shall be served on all parties of record and Staff as specified in the most recent Certificate of Service issued in this case. Copies of all filings shall also be emailed on the date of filing to the Hearing Examiner at [Carolyn.glick@state.nm.us](mailto:Carolyn.glick@state.nm.us) by no later than 5:00 p.m. MST.

15. The Commission's Rules of Procedure found at 1.2.2 NMAC shall apply to this case unless modified by order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission and are available online at the official NMAC website, <http://nmprc.state.nm.us/>.

16. Any person with a disability requiring special assistance in order to participate in this case should contact the Commission at 505-827-4500 at least 24 hours prior to the commencement of the hearing.

**ISSUED** at Santa Fe, New Mexico, this 22<sup>nd</sup> day of August 2018.

**NEW MEXICO PUBLIC REGULATION  
COMMISSION**

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**Carolyn R. Glick  
Hearing Examiner**