

SPS's alleges that its proposal to address regulatory disincentives and incentives appropriately balances the interests of consumers, shareholders, and the public.

4. Listed below are the present and proposed rates for each customer class proposed by SPS.

	Present Rider (\$/kWh)	Estimated Proposed Rider (\$/kWh)	Increased Rider (\$/kWh)
Residential Service Rate	\$0.002038	\$0.002960	\$0.000928
Residential Heating Service Rate	\$0.002038	\$0.002960	\$0.000928
Residential Electric Water Heating Service Rate	\$0.002038	\$0.002960	\$0.000928
Small General Service Rate	\$0.002038	\$0.002960	\$0.000928
Secondary General Service Rate	\$0.002029	\$0.002947	\$0.000918
Irrigation Service Rate	\$0.002029	\$0.002947	\$0.000918
Primary General Service Rate	\$0.002009	\$0.002918	\$0.000909
Large General Service-Transmission Rate	\$0.001873	\$0.002720	\$0.000847
Small Municipal & School Service Rate	\$0.002038	\$0.002960	\$0.000928
Large Municipal & School Service Rate	\$0.002029	\$0.002947	\$0.000918

5. Listed below is a comparison of present and proposed rates for each of the residential customer classes on a per kWh basis as proposed by SPS.

	Present Rate	Proposed Rate	Percentage Increase
Residential Service Rate			
EER (\$/kWh)	\$0.002038	\$0.002960	45.24%
Estimate of bills for the following levels of consumption during the Winter months			
0 kWh	\$ 5.60	\$ 5.60	0.00%
250 kWh	\$ 27.58	\$ 27.81	0.84%
500 kWh	\$ 49.55	\$ 50.01	0.93%
750 kWh	\$ 71.53	\$ 72.22	0.97%
1,000 kWh	\$ 93.50	\$ 94.43	0.99%
2,000 kWh	\$181.41	\$183.25	1.02%
Estimate of bills for the following levels of consumption during the Summer months			
0 kWh	\$ 5.60	\$ 5.60	0.00%
250 kWh	\$ 28.38	\$ 28.61	0.81%
500 kWh	\$ 51.17	\$ 51.63	0.90%
750 kWh	\$ 73.95	\$ 74.64	0.94%
1,000 kWh	\$ 96.73	\$ 97.66	0.95%

2,000 kWh	\$ 187.87	\$ 189.71	0.98%
Residential Heating Service Rate			
EER (\$/kWh)	\$0.002038	\$0.002960	45.24%
Estimate of bills for the following levels of consumption during the Winter months			
0 kWh	\$ 5.60	\$ 5.60	0.00%
250 kWh	\$ 23.59	\$ 23.82	0.98%
500 kWh	\$ 41.57	\$ 42.03	1.11%
750 kWh	\$ 59.56	\$ 60.25	1.16%
1,000 kWh	\$ 77.54	\$ 78.47	1.19%
2,000 kWh	\$ 149.49	\$ 151.33	1.23%
Estimate of bills for the following levels of consumption during the Summer months			
0 kWh	\$ 5.60	\$ 5.60	0.00%
250 kWh	\$ 28.38	\$ 28.61	0.81%
500 kWh	\$ 51.17	\$ 51.63	0.90%
750 kWh	\$ 73.95	\$ 74.64	0.94%
1,000 kWh	\$ 96.73	\$ 97.66	0.95%
2,000 kWh	\$ 187.87	\$ 189.71	0.98%
Residential Electric Water Heating Service Rate			
EER (\$/kWh)	\$0.002038	\$0.002960	45.24%
Estimate of bills for the following levels of consumption during the Winter months			
0 kWh	\$ 5.60	\$ 5.60	0.00%
250 kWh	\$ 26.49	\$ 26.72	0.87%
500 kWh	\$ 47.38	\$ 47.84	0.97%
750 kWh	\$ 68.27	\$ 68.96	1.01%
1,000 kWh	\$ 89.15	\$ 90.08	1.03%
2,000 kWh	\$ 172.71	\$ 174.55	1.07%
Estimate of bills for the following levels of consumption during the Summer months			
0 kWh	\$ 5.60	\$ 5.60	0.00%
250 kWh	\$ 28.38	\$ 28.61	0.81%
500 kWh	\$ 51.17	\$ 51.63	0.90%
750 kWh	\$ 73.95	\$ 74.64	0.94%
1,000 kWh	\$ 96.73	\$ 97.66	0.95%
2,000 kWh	\$ 187.87	\$ 189.71	0.98%

6. These proposed rates apply to all rate classes but would affect only those customers utilizing the services indicated.

7. The proposed changes in rates are stated by class for informational purposes only and the final rate design, including any alternative proposals for removal of disincentives, may increase or change rates ultimately charged to each class.
8. The Commission has assigned Case No. 10-00197-UT to this filing and inquiries should refer to that case number.
9. The Commission has set the schedule for this case as follows:
 - A. Motions for Leave to Intervene must be filed on or before October 1, 2010.
 - B. A Settlement meeting will be held on October 28, 2010, at 9:30 A.M., and status conference at 2:00 P.M., at the offices of the Commission, 1120 Paseo De Peralta, Santa Fe, New Mexico.
 - C. No later than October 28, 2010, interveners must indicate whether they intend to file an alternative proposal.
 - D. Staff and Intervenors shall file any direct testimony on or before January 25, 2011.
 - E. Any rebuttal testimony shall be filed on or before February 22, 2011.
 - F. Interested persons should contact the Commission for confirmation of hearing dates, times, and places.
10. The procedural dates and requirements currently set in this case are subject to further Order of the Commission or the Hearing Examiner.
11. Further information may be obtained or any interested person may examine the rate filings together with any exhibits and related papers that may be filed in this case at the offices of SPS, 111 E. Fifth Street, Roswell, New Mexico, telephone (505) 625-5499 or at the office of the Commission, P.E.R.A. Building, 1120 Paseo De Peralta, Santa Fe, NM, telephone 1-888-427-5772.
12. The Commission's Utility Division Procedures 1.2.2 NMAC, *et. seq.*, shall apply to this proceeding except as modified by order of the Commission or the Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission.
13. Any person desiring to become a party to this case must file a Motion for Leave to Intervene in conformity with 1.2.2.23.A and 1.2.2.23.B NMAC on or before the date ordered by the Commission.
14. Any interested person may appear at the hearing and make a written or oral comment pursuant to 1.2.2.23.F NMAC without becoming an intervener, but the comment will not be considered as evidence in the proceeding.
15. Documents which are mailed to the Commission should be sent to: New Mexico Public Regulation Commission, P.O. Box 1269, Santa Fe, NM 87504-1269.
16. Anyone filing pleadings or pre-filed testimony will serve copies through U.S. mail and electronically upon all parties of record, Commission Staff, and the Hearing Examiner.

Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath.

17. 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 this 30th day of July, 2010.

NEW MEXICO PUBLIC REGULATION COMMISSION

Elizabeth C. Hurst
Hearing Examiner