

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY’S APPLICATION)
REQUESTING: (1))
ACKNOWLEDGEMENT OF ITS)
FILING OF THE 2018 ANNUAL)
RENEWABLE ENERGY PORTFOLIO)
REPORT; (2) APPROVAL OF ITS) **CASE NO. 19-00134-UT**
ANNUAL RENEWABLE ENERGY)
PORTFOLIO PROCUREMENT PLAN)
FOR PLAN YEAR 2020; (3))
APPROVAL OF THE PROPOSED)
RATE FOR ITS 2020 RENEWABLE)
PORTFOLIO STANDARD RIDER;)
AND (4) OTHER ASSOCIATED)
RELIEF,)
)
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
)
)
APPLICANT.)
)

NOTICE TO SPS CUSTOMERS

NOTICE IS HEREBY GIVEN that:

1. Southwestern Public Service Company (“SPS”) filed its Application with the New Mexico Public Regulation Commission (“Commission” or “NMPRC”) on November 1, 2019, requesting the Commission enter a final order that:

(a) acknowledges SPS’s July 31, 2019 filing of its 2018 Annual Renewable Energy Portfolio Report (“2018 RPS Report”);

(b) approves SPS's 2020 Annual Renewable Energy Act Plan ("2020 RPS Plan")¹ for the 2020 Plan Year ("Plan Year") and 2021 Next Plan Year² ("Next Plan Year");

(c) approves SPS's proposed rate for its 2020 Renewable Portfolio Standard ("RPS") Rider. For rate calculation purposes, SPS assumed RPS Cost Rider revenue based upon the rate in Advice Notice No. 284 for the period January 1, 2020 through April 30, 2020. The proposed rate for SPS's 2020 RPS Rider is based on comparing the estimated recovery from January 1, 2020 through April 30, 2020 to the 2020 RPS-related costs³, then determining the amount to be recovered for the period from May 1, 2020 through December 31, 2020;

(d) approves SPS's proposed RPS Reconciliation Rider to credit customers in 2020 for the true-up of amounts associated with periods before the effective date of the Energy Transition Act, Senate Bill 489 ("ETA"), when the large customer cap was in effect. Those true-up amounts are comprised of reconciliation of the 2018 RPS Rider and associated interest and 2019 costs charged in excess of the large customer cap. For rate

¹ The 2020 RPS Plan is Attachment RMS-3 to Ruth Sakya's Direct Testimony.

² In accordance with 17.9.572.14 NMAC, SPS is submitting its 2021 Next Plan Year for informational purposes only.

³ SPS's RPS-related costs include: (i) SPS's 2019 RPS Plan Year compliance costs; (ii) the reconciliation of SPS's 2017 RPS Rider, including interest; (iii) the annual amortization amounts for the 2013 REC Tracker reconciliation balances, previously approved in Case No. 16-00183-UT, including interest; and (iv) refunds to Qualifying Large Customers resulting from 2019 payments made by Qualifying Large Customers in excess of the cost cap stated in Rule 572.7(M) and returned in 2020.

calculation purposes, SPS also assumed the RPS Reconciliation Rider will be applied from May 1, 2020 through December 31, 2020;

(e) grants SPS's variance requests to those subsections of Rule 572 that are now inconsistent with the amended REA;

(f) grants SPS's variance requests from provisions of Commission Orders that are now inconsistent with the amended REA;

(g) authorizes SPS to administer the Hale RECs for New Mexico RPS compliance with the Electric Reliability Council of Texas registry system; and

(h) grants all other approvals, authorizations and relief that may be required for SPS to implement its 2020 RPS Plan.

2. SPS proposes to collect an estimated \$13.8 million for RPS procurement through its RPS Rider. SPS calculated the 2020 RPS Rider by assuming that the 2020 RPS Rider Rate will be effective six months from the date of filing, or May 1, 2020. To determine the net amount to be recovered over the remaining eight months of 2020, SPS witness Richard M. Luth estimated the RPS Cost Rider revenue based upon the rate in Advice Notice No. 284 for the January 1, 2020 through April 30, 2020 period, and compared that amount to the 2020 RPS Rider revenue requirement provided by Ms. Sakya (\$13 million). The remaining amount was divided by SPS's projected applicable kilowatt-hour ("kWh") sales (excluding projected Windsorce kWhs) for the period of May 1, 2020 through December 31, 2020. The calculated \$.000370 per kWh rate would

apply to all of SPS's New Mexico retail rate classes, other than energy purchased under its Windsource rider.

3. SPS requests authorization for an RPS Reconciliation Rider to credit customers in 2020 for the true-up of amounts associated with prior periods when the large customer cap was in effect. These true-up amounts are comprised of reconciliation of the 2018 RPS Rider and associated interest and 2019 costs charged in excess of the large customer cap. The proposed RPS Reconciliation Rider would apply to customers other than Large Customers. The 2020 rate for the RPS Reconciliation Rider is a credit of \$0.000195 per kWh. The credit is based upon the net true-up of amounts associated with prior periods (\$0.9 million) divided by projected kWh sales to customers other than Large Customers from May 1, 2020 through December 31, 2020.

4. The following tables compare the present bills and anticipated bills, including the proposed 2020 RPS rider, under each affected customer class and for the indicated levels of consumption:

Residential Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
0 kWh	\$ 8.78	\$ 8.78	\$ -	0.00%
250 kWh	\$ 31.44	\$ 30.80	\$ (0.64)	-2.04%
500 kWh	\$ 54.10	\$ 52.83	\$ (1.27)	-2.35%
750 kWh	\$ 76.76	\$ 74.85	\$ (1.91)	-2.49%
1,000 kWh	\$ 99.42	\$ 96.87	\$ (2.55)	-2.56%
2,000 kWh	\$ 190.07	\$ 184.96	\$ (5.11)	-2.69%

Residential Heating Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
0 kWh	\$ 8.78	\$ 8.78	\$ -	0.00%
250 kWh	\$ 28.96	\$ 28.32	\$ (0.64)	-2.21%
500 kWh	\$ 49.14	\$ 47.86	\$ (1.28)	-2.60%
750 kWh	\$ 69.32	\$ 67.40	\$ (1.92)	-2.77%
1,000 kWh	\$ 89.50	\$ 86.94	\$ (2.56)	-2.86%
2,000 kWh	\$ 170.21	\$ 165.10	\$ (5.11)	-3.00%

Small General Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
0 kWh	\$ 14.87	\$ 14.87	\$ -	0.00%
250 kWh	\$ 33.33	\$ 32.69	\$ (0.64)	-1.92%
500 kWh	\$ 51.80	\$ 50.52	\$ (1.28)	-2.47%
750 kWh	\$ 70.26	\$ 68.34	\$ (1.92)	-2.73%
1,000 kWh	\$ 88.73	\$ 86.17	\$ (2.56)	-2.89%
2,000 kWh	\$ 162.58	\$ 157.47	\$ (5.11)	-3.14%

Secondary General Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
1,500 kWh and 12 kW	\$ 254.53	\$ 250.69	\$ (3.84)	-1.51%
7,500 kWh and 35 kW	\$ 780.71	\$ 761.54	\$ (19.17)	-2.46%
15,000 kWh and 35 kW	\$ 995.28	\$ 956.94	\$ (38.34)	-3.85%
30,000 kWh and 100 kW	\$ 2,426.35	\$ 2,349.65	\$ (76.70)	-3.16%

Irrigation Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
1,500 kWh and 12 kW	\$ 149.02	\$ 143.85	\$ (5.17)	-3.47%
7,500 kWh and 35 kW	\$ 603.56	\$ 584.39	\$ (19.17)	-3.18%
15,000 kWh and 35 kW	\$ 1,125.13	\$ 1,073.45	\$ (51.68)	-4.59%
30,000 kWh and 100 kW	\$ 2,273.64	\$ 2,170.28	\$ (103.36)	-4.55%

Primary General Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
1,500 kWh and 12 kW	\$ 290.30	\$ 286.47	\$ (3.83)	-1.32%
7,500 kWh and 35 kW	\$ 765.55	\$ 746.37	\$ (19.18)	-2.51%
15,000 kWh and 35 kW	\$ 960.29	\$ 921.94	\$ (38.35)	-3.99%
30,000 kWh and 100 kW	\$ 2,252.58	\$ 2,175.89	\$ (76.69)	-3.40%

Large General Service Transmission (69 kV)

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
500,000 kWh and 800 kW	\$ 22,005.62	\$ 20,727.36	\$ (1,278.28)	-5.81%
1,000,000 kWh and 1,500 kW	\$ 38,325.80	\$ 39,167.38	\$ 841.58	2.20%
4,000,000 kWh and 6,100 kW	\$ 149,733.36	\$ 153,169.68	\$ 3,436.32	2.29%
8,000,000 kWh and 12,200 kW	\$ 297,956.68	\$ 304,858.91	\$ 6,902.23	2.32%

Large General Service Transmission (115+ kV)

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
500,000 kWh and 800 kW	\$ 21,692.20	\$ 20,413.93	\$ (1,278.27)	-5.89%
1,000,000 kWh and 1,500 kW	\$ 38,646.72	\$ 39,482.00	\$ 835.28	2.16%
4,000,000 kWh and 6,300 kW	\$ 149,127.00	\$ 152,575.20	\$ 3,448.20	2.31%
8,000,000 kWh and 13,000 kW	\$ 300,462.89	\$ 307,315.98	\$ 6,853.09	2.28%

Large Municipal and School Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
10,000 kWh and 30 kW	\$ 668.39	\$ 642.83	\$ (25.56)	-3.82%
20,000 kWh and 45 kW	\$ 1,137.85	\$ 1,086.71	\$ (51.14)	-4.49%
30,000 kWh and 75 kW	\$ 1,778.62	\$ 1,701.92	\$ (76.70)	-4.31%

Small Municipal and School Service

	Annualized Monthly Bill		Bill Change	
	Bills Including 2019 RPS Rider	Bills Including Proposed 2020 RPS Rider and Reconciliation Rider	Proposed \$ Change	Proposed % Change
Consumption Level	Present	2020	2020	2020
500 kWh	\$ 47.69	\$ 46.41	\$ (1.28)	-2.68%
1,000 kWh	\$ 78.08	\$ 75.52	\$ (2.56)	-3.28%
2,000 kWh	\$ 138.86	\$ 133.75	\$ (5.11)	-3.68%

5. SPS’s proposed rate changes are for informational purposes only and the final 2020 RPS Rider and Reconciliation Rider rates may vary.

6. By order issued on December 3, 2019, 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 January 3, 2020.
- B. A settlement meeting among the parties to this case shall be held on January 28, 2020 at a time and location to be determined.
- C. Staff shall, and any intervenor may, file direct testimony on or before February 5, 2020; alternatively, a stipulation may be filed on or before February 5, 2020.

- D. If a stipulation is filed, direct testimony in support of it shall be filed no later than February 25, 2020. Alternatively, if a stipulation is not filed, any rebuttal testimony shall be filed by February 25, 2020.
- E. A public hearing will be held beginning at 9:00 a.m. on March 5, 2020, and continuing as necessary on March 6, 2020, 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.

7. SPS's Application, 2018 RPS Report and 2020 RPS Plan, together with supporting prefiled direct testimony and any exhibits and related papers, may be examined by any interested person online at <http://www.xcelenergy.com/regulatory>, or <http://nmprc.state.nm.us> under "Case Lookup EdoCKET," or in person at the offices of SPS or the Commission at the following addresses, and all inquiries or written comments should refer to Case No. 19-00134-UT.

Mike McLeod
Southwestern Public Service Company
111 East Fifth Street
Post Office Box 1937
Roswell, New Mexico 88201
577-625-5499 or 1-800-895-4999

Linda Hudgins, Regulatory Case Specialist II
Southwestern Public Service Company
790 S. Buchanan
Amarillo, Texas 79101

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

8. 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.

9. 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.

10. 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 e-mail as provided by the Procedural Order. Any person whose testimony has been prefiled shall attend the hearing and submit to examination under oath.

11. 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 e-mailed on the date of filing to the Hearing Examiner at Carolyn.glick@state.nm.us by no later than 5:00 p.m. MST.

12. 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 <http://164.64.110.134/nmac/home>.

13. 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 before the hearing.

14. The procedural dates and requirements provided herein are subject to further order of the Commission or hearing examiner.

ISSUED at Santa Fe, New Mexico on December 3, 2019.

**NEW MEXICO PUBLIC REGULATION
COMMISSION**

Hearing Examiner