

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF PUBLIC SERVICE COMPANY OF NEW)
MEXICO FOR APPROVAL OF THE CITY OF)
ALBUQUERQUE 2010 UNDERGROUND)
PROJECT RIDER PURSUANT TO ADVICE)
NOTICE NO. 454,)**

Case No. 12-00359-UT

**PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)**

Applicant.

NOTICE TO CUSTOMERS

Notice is hereby given that:

On October 16, 2012, Public Service Company of New Mexico (“PNM”) filed with the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) an Application and Advice Notice No. 454 requesting approvals, authorizations and variances necessary to implement a City of Albuquerque 2012 Underground Project Rider, Original Rider No. 38 (“Rider 38”), together with such other and further relief as the Commission may deem necessary and appropriate.

If approved by the Commission, Rider 38 would apply to only those PNM customers taking electric service within the City of Albuquerque (“City”). Rider 38 would allow PNM to recover total Excess Costs incurred as a result of underground construction of a portion of a new distribution project in the City that PNM would normally install overhead. The project that is covered by Rider 38 is an 820-foot section of a project known as the Innovation 13 Project.

The total Excess Costs for the project are approximately \$77,690.52. The following Rider 38 charges would be paid in addition to the current charges that the customer is paying, and would be collected through a line item charge on the customer’s bill for the five month period:

Rate Class	Tariff(s)	Excess Cost Fixed Charge
Residential	Schedule 1A and 1B	\$0.03 Per Bill Per Month
Small Power	Schedule 2A and 2B	\$0.10 Per Bill Per Month
General Power	Schedule 3B and 3C	\$1.60 Per Bill Per Month
Large Power	Schedule 4B	\$15.74 Per Bill Per Month
Water & Sewage	Schedule 11B	\$2.77 Per Bill Per Month
Large Universities	Schedule 15B	\$279.95 Per Bill Per Month

The new charges stated above are for informational purposes only, and the final rate design may vary the rates ultimately charged to each class of customers.

PNM is also requesting related rulings and variances, including:

- A. from the Commission's Rule 17.9.530 NMAC, the minimum data standard filing requirements for rate schedules proposed by investor-owned utilities;
- B. from the requirements of 17.1.2.10.B(2)(b) NMAC and 17.1.2.10.C(2)(a) through (d) NMAC of a comparison with present rates because Rider 38 is a new rate that does not currently exist;
- C. shortening the final reconciliation period from three months to one month in order to reduce the time which carrying costs accrue to Excess Costs class rates and to increase the accuracy of the final reconciliation process; and
- D. an expedited variance from the provision of Rate 22 to permit PNM to begin construction of the underground portion of the project prior to a Commission decision on Rider 38.

Further information regarding this case may be obtained by contacting PNM or the Commission at the addresses and telephone numbers provided below. The Commission has assigned Case No. 12-00359-UT to this proceeding, and all inquiries or written comments concerning this matter should refer to that case number.

The procedural schedule established by the Commission for this proceeding is as follows:

1. Any person desiring to become a party to this case must file a Motion for Leave to Intervene in conformity with 17.1.2.26.A and 17.1.2.26.B NMAC, on or before January 15, 2013
2. Staff shall, and any Intervener may, file any direct testimony on or before February 15, 2013.
3. Rebuttal testimony may be filed on or before March 1, 2013.
4. A public hearing will begin on March 11, 2013 commencing at 10:00 a.m., at the offices of the Commission, 1120 Paseo de Peralta, Santa Fe, New Mexico, to hear and receive evidence, arguments and any other appropriate matters relevant in order to determine whether PNM's proposed rate, if appropriate, should be approved by the Commission.

The procedural dates and requirements set in this case are subject to further Order of the Commission or Hearing Examiner.

Interested persons should contact the Commission for confirmation of the hearing date, time and place since hearings are occasionally rescheduled.

The Commission's Utility Division Procedures, 1.2.2.1 NMAC, *et seq.*, shall apply to this case except as modified by Order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission.

Discovery matters and any discovery disputes shall be governed by the Commission's discovery rules, 1.2.2.25 NMAC. The parties are advised to raise any questions or concerns regarding discovery with the Hearing Examiner in a timely manner so that they may be considered well in advance of the hearing.

A Commission Order is not required for agreements between or among any of the participants regarding discovery matters. All other participants and the Hearing Examiner shall be notified of such agreements.

No motion regarding any discovery dispute shall be considered unless accompanied by a statement that the participants have made a good faith effort to resolve the dispute and were unable to do so.

Anyone filing pleadings, documents or testimony in this case shall serve a copy on all parties of record and Staff and, in addition to paper copies, shall simultaneously deliver by email all such filings to all other parties, Staff and the Hearing Examiner.

Any interested person may examine PNM's filing in this case together with any exhibits and related papers which may be filed in this case at PNM's office, Alvarado Square, Albuquerque, New Mexico 87158, telephone: (505) 241-2700, or at the Commission's offices, 1120 Paseo de Peralta, Santa Fe, New Mexico 87504, telephone: (505) 827-6940.

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, which shall reference NMPRC Case No. 12-00359-UT, to the Commission at the address set out above. However, comments governed by this paragraph will not be considered as evidence in this case.

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

Any person with a disability requiring special assistance in order to participate in this proceeding should contact the offices of the Commission at least 24 hours prior to the commencement of the hearing.

ISSUED at Santa Fe, New Mexico this **4th** day of December, 2012.

**NEW MEXICO PUBLIC REGULATION
COMMISSION**

Frances I. Sundheim
Hearing Examiner