

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO’S)
APPLICATION FOR APPROVAL OF ITS)
RENEWABLE ENERGY ACT PLAN)
FOR 2018 AND PROPOSED 2018 RIDER)
RATE UNDER RATE RIDER NO. 36)
)
PUBLIC SERVICE COMPANY OF NEW)
MEXICO)
)
Petitioner.)
_____)**

Case No. 17-00129-UT

NOTICE TO PNM CUSTOMERS

NOTICE is given of the following matters pertaining to the above captioned case pending before the New Mexico Public Regulation Commission (“NMPRC” or “Commission”):

On June 1, 2017, Public Service Company of New Mexico (“PNM”) filed its Application for Approval of its Renewable Energy Act Plan for 2018 (“2018 Plan”) pursuant to the Renewable Energy Act (“REA”), NMSA 1978, Sections 62-16-1 to -10, and the Commission’s Renewable Energy Rule, 17.9.572 NMAC (“Rule 572”). The 2018 Plan will help PNM meet the requirement to supply 15% of its projected retail sales with renewable energy in 2018 and 2019, using at least 30% wind energy, 20% solar energy, 5% other renewable technologies and 3% distributed generation.

PNM’s Application asks the Commission to approve its 2018 Plan, including the following:

1. Approval to procure the increased output from upgrades to the New Mexico Wind Energy Center, which is projected to result in 80,000 additional MWh in 2019 and

105,000 MWh in 2020 and beyond without an increase in the per MWh purchase price

2. Approval to procure the increased output from upgrades to the Dale Burgett geothermal facility (“Dale Burgett”), which will result in an estimated additional 55,000 MWh in 2019 and 77,000 MWh in 2020 and beyond at a decreased per MWh purchase price
3. Approval to procure 50 MW of new solar facilities under a turnkey agreement with Affordable Solar, to begin serving customers in 2019 and expected to generate 140,000 MWh in 2020, at an estimated cost of \$72,861,898
4. A variance from the Rule 572.11 “other” diversity requirement in 2018 due to a revised production forecast from Dale Burgett in 2018
5. Approval of a Capacity Reservation Program of 2 MW_{AC} of capacity at a purchase price of \$0.0025 per kWh of RECs for distributed generation systems sized over 100 kW_{AC} and up to 1 MW_{AC}
6. Approval of a not-to-exceed price of \$3.00 per MWh/REC for any RECs that PNM may need to procure in calendar year 2019 to make up for any deficiency in the number of RECs available to meet the 2018 RPS
7. Approval to reset the rate for PNM’s Renewable Energy Rider, Rider No. 36 (“Rider 36”) at \$0.0062267 per kWh effective January 1, 2018, an increase from the \$0.0054419 current rate
8. To the extent the Commission deems a variance necessary, a variance from the data filing requirements of 17.9.530 NMAC.

PNM also proposes a remedy to address a cost misallocation relating to the REA’s Large Customer Cap.

PNM’s proposed revision of Rider 36 reflects that two customers are expected to file for an exemption from Rider No. 36 for the 2018 Plan Year. PNM proposes to recover \$43,473,504 through Rider 36, as compared with \$44,602,183 to be recovered in 2017, a decrease of \$1,128,679.

PNM is proposing that the following Revised Rider No. 36 rates become effective January 1, 2018, in addition to any other charges that the customer is paying, and be collected through a line item charge on customers’ bills, labelled “Renewable Energy Rider”:

| Affected Electric Rate Classes | Tariff Applied | Current Rate (As of April 27, 2017) (per kWh)* | Proposed Rate To be Effective January 1, 2018 (per kWh)* |
|---|-----------------------|---|---|
| Residential Service 1A & 1B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Small Power Service 2A & 2B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| General Power Service 3B & 3C | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Large Power Service 4B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Large Power Service for Customers >=8,000kW 5B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Private Area Lighting Service 6 | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Irrigation Service 10A & 10B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Water & Sewage Pumping 11B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Large Service for Public Universities 15B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Streetlighting and Floodlighting Service 20 | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Large Service, Manufacturing – Distribution Level 30B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Large Service for Station Power 33B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Large Power Service >=3,000kW 35B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |
| Special Service -Renw. Energy Res. 36B | PNM Rider No. 36 | \$0.0054419 | \$0.0062267 |

*Rates for each affected customer’s bill are exclusive of gross receipts tax and franchise fees and take into account the maximum annual cap of the lesser of \$99,000 (as adjusted by inflation) or 2% of annual revenues applicable to certain customers.

For PNM residential customers on Rate Schedule 1A without demand meters, the present average monthly bill and the anticipated bill for each of the following levels of consumption are as follows:

| Consumption (kWh) | Present Bill | Anticipated bill |
|--------------------------|---------------------|-------------------------|
| 0 | \$7.34 | \$7.34 |
| 250 | \$33.60 | \$33.80 |
| 500 | \$61.58 | \$61.97 |
| 750 | \$96.44 | \$97.03 |
| 1000 | \$133.10 | \$133.89 |
| 2000 | \$290.49 | \$292.06 |

The proposed rate changes stated by customer rate class are for informational purposes. The final rates approved by the Commission in this proceeding may vary from the rates set forth above.

On June 14, 2017, the Commission issued an Order designating the undersigned to preside over this proceeding and to issue a Recommended Decision.

Further information regarding this case can be obtained by contacting PNM or the Commission at the addresses and telephone numbers provided below. The Commission has assigned Case No. 17-00129-UT to this proceeding, and all inquiries or written comments concerning this matter should refer to that case number.

The present procedural schedule for this case is as follows:

- a. On or before NOON on August 25, 2017, 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 (B) NMAC.

- b. Staff and any intervenor testimony shall be filed by NOON on August 25, 2017.
- c. Rebuttal testimony shall be filed by NOON on September 13, 2017.
- d. A public hearing on this matter shall be held beginning on September 18, 2017 commencing at 8:30 a.m. and continuing as necessary on September 20 and 21, 2017 at the offices of the Commission, P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, New Mexico, Ground Floor Board Room.

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

The Commission's Rules of Procedure, 1.2.2 NMAC, 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 and such Rules are available at the official NMAC website, <http://www.nmprc.state.nm.us/nmac/>.

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

Any interested person may appear at the time and place of the hearing and make written or oral comment pursuant to 1.2.2.23(F) NMAC without becoming an intervenor. All such comments shall not be considered as evidence in this case. Written comments, which shall reference NMPRC Case No. 17-00129-UT, also may be sent to the Commission at the following address:

New Mexico Public Regulation Commission
P.E.R.A. Building
1120 Paseo de Peralta
P.O. Box 1269, Santa Fe, New Mexico 87504-1269

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

Any interested person may examine PNM's Application and all other pleadings, testimony, exhibits and other documents filed in the public record for this case at <http://nmprc.state.nm.us> under "Case Lookup EdoCKET," the Commission's address set out above or PNM's office at 414 Silver Ave. SW, Albuquerque, NM 87102, (505) 241-2700.

Anyone filing pleadings, testimony and other documents in this case may file them either in person at the Commission's docketing office in the P.E.R.A. Building in Santa Fe, New Mexico, or by mail to the Commission's address at P.O. Box 1269, Santa Fe, New Mexico 87504-1269, and must serve copies thereof on all parties of record and the Commission's Utility Division Staff in the manner indicated on the Certificate of Service for this case. All filings shall be e-mailed to Staff and the parties on the date they are filed with the Commission. All filings shall be e-mailed to the Hearing Examiner at Carolyn.glick@state.nm.us.

Any person with a disability requiring special assistance to participate in this proceeding should contact the Commission at 505-827-6956 at least 24 hours before the hearing.

ISSUED at Santa Fe, New Mexico on June 23, 2017.

**NEW MEXICO PUBLIC REGULATION
COMMISSION**

**Carolyn R. Glick
Hearing Examiner**