

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

<b>IN THE MATTER OF PUBLIC SERVICE</b>	)	
<b>COMPANY OF NEW MEXICO'S</b>	)	
<b>RENEWABLE ENERGY PORTFOLIO</b>	)	
<b>PROCUREMENT PLAN FOR 2016 AND</b>	)	
<b>PROPOSED 2016 RIDER RATE</b>	)	
<b>UNDER RATE RIDER NO. 36</b>	)	<b>Case No. 15-00166-UT</b>
	)	
<b>PUBLIC SERVICE COMPANY OF NEW</b>	)	
<b>MEXICO,</b>	)	
<b>Petitioner</b>	)	
<hr style="border: 0.5px solid black;"/>		

**NOTICE TO CUSTOMERS**

**NOTICE** is hereby 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, 2015, Public Service Company of New Mexico (“PNM”) filed a Renewable Energy Portfolio Procurement Plan for 2016 (“2016 Plan”) pursuant to the Renewable Energy Act (“REA”), NMSA 1978, §§ 62-16-1 to -10, and the Commission’s Renewable Energy Rule 17.9.572 NMAC (“Rule 572”). As part of its filing, PNM seeks approval of a revised 2016 Renewable Energy Rider rate under Rider No. 36.

PNM’s 2016 Plan requests approval of the following procurement:

- Pursuant to the procedure in PNM’s existing Rate 32 relating to REC purchases from customer-sited solar DG facilities, the 2016 Plan proposes a 2016 capacity reservation of 2 MW<sub>AC</sub> for facilities sized over 100 kW<sub>AC</sub> and up to 1 MW<sub>AC</sub> at a price of \$0.02 per kWh for associated Renewable Energy Certificates (“RECs”). PNM also requests a variance from the Final Order in Case No. 11-00265-UT to implement the \$0.02 per kWh/ REC price.

PNM also seeks the following approvals in this proceeding:

**EXHIBIT A**

- Pursuant to PNM’s Renewable Energy Rider (“Rider 36”) and the Commission’s directives in Case No. 12-00007-UT, PNM seeks to recover in 2016 through Rider 36 the costs of renewable energy procurements for the 2016 Plan Year and for RECs procured in 2015 to meet a deficit of RECs for 2014 RPS compliance. PNM requests approval to change its current Rider 36 rate of \$0.0056966 per kWh. Based on a certification for exemption for the 2016 Plan Year submitted by a single customer pursuant to § 62-16-4(A)(3) NMSA (exempting political subdivisions from annual charges for renewable energy if certain amounts are spent on customer-owned renewable energy generation), PNM proposes to change the Rider 36 rate to \$0.0058559 per kWh, effective January 1, 2016. PNM states that the impact on a residential customer using an average of 600 kWh monthly will be to increase the monthly cost due to Rider 36 from \$3.42 to \$3.51 per month, an increase of \$0.09 per month.

- PNM understands that another customer may submit a certification for exemption in 2016 pursuant to § 62-16-4(A)(3) NMSA. If such a certification is received in time to have the exemption considered in this case, PNM proposes that the new rate for Rider 36 as of January 1, 2016 be revised to \$0.0059442 per kWh. In that event, the impact of the Rider 36 rate on a residential customer using an average of 600 kWh monthly will increase from \$3.42 to \$3.57 per month, an increase of \$0.15 per month.

- The Final Order in Case 14-00158-UT approved a Stipulation that established a requirement that PNM is required annually to calculate the prior year’s Renewable Portfolio Standard (“RPS”) and Reasonable Cost Threshold (“RCT”) for PNM’s Annual Renewable Energy Portfolio Report, and if there are insufficient RECs to meet the applicable RPS quantity compliance, PNM is required to acquire additional stand-alone RECs at the lowest price available to PNM through a solicitation of offers, without the need for a Request for Proposal

(“RFP”), at a price not to exceed the cost of stand-alone RECs of the same type most recently approved by the Commission for RPS compliance, provided this procurement does not cause PNM to exceed the RCT during the period for which the REC procurement would apply. The Commission set a not-to-exceed price of \$3.00 per MWh/REC for additional RECs as may be required for the plan years 2013, 2014 and 2015. PNM proposes to continue the not-to-exceed price of \$3.00 for the 2016 Plan Year, to the extent that such procurements will be required.

- PNM requests that for this and future procurement plan cases the Commission approve the methods for calculating the adjustment to the RPS for the Large Customer Cap and for calculating the RCT used by PNM in this proceeding, so that the current uncertainty regarding the proper methods to use is removed.

Finally, for informational purposes, PNM has identified the disproportional avoided fuel benefits allegedly received by customers subject to the Large Customer Cap and describes a ratemaking mechanism that could be used to address that matter, if the Commission chooses to do so, which could increase recovery from capped and exempt customers and decrease recovery from all other customers.

Assuming only one exempt customer, PNM is proposing that the following Revised Rider No. 36 rates become effective January 1, 2016, in addition to any other charges that the customer is paying, and be collected through a line item charge on customers’ bills.

<b>Affected Electric Rate Classes</b>	<b>Tariff Applied</b>	<b>Current Rate*</b>	<b>Proposed Rate To be Effective January 1, 2016*</b>
Residential Service 1A & 1B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Small Power Service 2A & 2B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
General Power Service 3B & 3C	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Large Power Service 4B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh

Large Power Service for Mining Customers 5B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Private Area Lighting Service 6	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Irrigation Service 10A & 10B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Water & Sewage Pumping 11B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Large Service for Public Universities 15B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Streetlighting and Floodlighting Service 20	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Special Contract Service – Large Customers 23	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh
Large Service for Station Power 33B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0058559 per kWh

\*Rates for each affected customer’s bill are exclusive of gross receipts tax and franchise fees and do not take into account the maximum annual cap of the lesser of \$99,000 (as adjusted by inflation) or 2% of annual revenues that is applicable for certain customers.

For PNM North 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:

<u>Consumption (kWh)</u>	Present Bill	Anticipated bill
0	\$5.00	\$5.00
250	\$32.43	\$32.47
500	\$61.50	\$61.58
750	\$97.08	\$97.20
1000	\$133.92	\$134.08
2000	\$288.72	\$289.04

For PNM South residential customers on Rate Schedule No. 1A without demand meters, the present bill and the anticipated bill for each of the following levels of consumption are as follows:

<u>Consumption (kWh)</u>	Current Bill	Anticipated bill
0	\$5.00	\$5.00
250	\$35.90	\$35.94
500	\$66.99	\$67.07
750	\$98.83	\$98.95
1000	\$130.82	\$130.98
2000	\$259.61	\$259.93

The proposed rate changes stated by customer rate class are for informational purposes. The final rates as approved may vary.

If a second customer submits a certification of exemption pursuant to § 62-16-4(A)(3) NMSA, PNM is proposing that the following Revised Rider No. 36 rates become effective January 1, 2016, in addition to any other charges that the customer is paying and be collected through a line item charge on customers' bills.

<b>Affected Electric Rate Classes</b>	<b>Tariff Applied</b>	<b>Current Rate*</b>	<b>Proposed Rate To be Effective January 1, 2015*</b>
Residential Service 1A & 1B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442 per kWh
Small Power Service 2A & 2B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442 per kWh
General Power Service 3B & 3C	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442 per kWh
Large Power Service 4B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442 per kWh
Large Power Service for Mining	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442 per kWh

Customers 5B			
Private Area Lighting Service 6	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442 per kWh
Irrigation Service 10A & 10B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442per kWh
Water & Sewage Pumping 11B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442per kWh
Large Service for Public Universities 15B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442per kWh
Streetlighting and Floodlighting Service 20	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442 per kWh
Special Contract Service – Large Customers 23	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442 per kWh
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 36	\$0.0056966per kWh	\$0.0059442 per kWh
Large Service for Station Power 33B	PNM Rider No. 36	\$0.0056966 per kWh	\$0.0059442 per kWh

\*Rates for each affected customer’s bill are exclusive of gross receipts tax and franchise fees and do not take into account the maximum annual cap of the lesser of \$99,000 (as adjusted by inflation) or 2% of annual revenues that is applicable for certain customers.

For PNM North 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:

<u>Consumption (kWh)</u>	Present Bill	Anticipated bill
0	\$5.00	\$5.00
250	\$32.43	\$32.50
500	\$61.50	\$61.62
750	\$97.08	\$97.27
1000	\$133.92	\$134.16
2000	\$288.72	\$289.22

For PNM South residential customers on Rate Schedule No. 1A without demand meters, the present bill and the anticipated bill for each of the following levels of consumption are as follows:

<u>Consumption (kWh)</u>	Current Bill	Anticipated bill
0	\$5.00	\$5.00
250	\$35.90	\$35.97
500	\$66.99	\$67.11
750	\$98.83	\$99.02
1000	\$130.82	\$131.06
2000	\$259.61	\$260.11

The final rates approved by the Commission in this proceeding may be different from the rates set forth above.

The present procedural schedule for this case is as follows:

- a. On or before August 7, 2015, 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.
- b. Staff and any Intervenor testimony shall be filed on or before August 14, 2015.
- c. Rebuttal testimony may be filed on or before August 24, 2015.
- d. A public hearing on this matter shall be held beginning on September 1, 2015, commencing at 9:00 a.m. at the offices of the Commission, P.E.R.A. Building,

1120 Paseo de Peralta, Santa Fe, New Mexico, and continuing as necessary on September 2, 2015.

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. 15-00166-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, NM 87504-1269  
Telephone: (888) 427-5772

Interested persons should contact the Commission 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 the Commission's address set out above or at the offices of PNM at the following address:



Public Service Company of New Mexico  
414 Silver Ave. SW  
Albuquerque, New Mexico 87102  
Telephone: (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 ("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. Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner's Procedural Order, issued on June 23, 2015.

Individuals with a disability who are in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, may contact the Commission's docketing office at least 24 hours prior to the hearing. The Commission's docketing office may be reached at (505) 827-4526. Public documents associated with the hearing can be provided in various accessible forms for disabled individuals. Requests for summaries or other types of accessible forms also should be addressed to the Utility Division at (505) 827-6941.

ISSUED at Santa Fe, New Mexico on June 23, 2015.

NEW MEXICO PUBLIC REGULATION COMMISSION

---

**Hearing Examiner**