

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF PUBLIC SERVICE COMPANY OF NEW)
MEXICO FOR APPROVAL OF ELECTRIC)
ENERGY EFFICIENCY PROGRAMS AND)
PROGRAM COST TARIFF RIDER)
PURSUANT TO THE NEW MEXICO PUBLIC)
UTILITY AND EFFICIENT USE OF ENERGY ACTS)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
Applicant.)**

Case No. 12-00317-UT

NOTICE

NOTICE is hereby given that:

On October 5, 2012, Public Service Company of New Mexico (“PNM”) filed with the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) an Application under the Public Utility Act (“PUA”), the Efficient Use of Energy Act (“EUEA”), and Advice Notice No. 453 for approvals and authorizations necessary to implement its 2012 Electric Energy Efficiency and Load Management Programs and revisions to PNM’s Energy Efficiency Rider For PNM Electric Services No. 16 (“Rider 16”). The Application requests specific approval of the following: (1) revised participation targets and budgets for nine existing programs; (2) five new programs—the Whole House program, the Student Efficiency Kits program, the Residential Stay Cool program, the Home Energy Reports program and the Low Income Home Efficiency program; (3) termination of the ENERGY STAR Homes program and the Energy Smart Renters program; (4) revisions to Rider No. 16 as set forth in the Advice Notice; and (5) all other approvals, authorizations and actions that may be required under applicable law to implement the 2012 Plan and revised tariff rider.

Rider No. 16 allows PNM to recover costs incurred as a result of implementing, funding and administering residential and commercial electric energy efficiency and load management programs included in the portfolio as well as a profit incentive approved by the Commission in accordance with the EUEA. The 2012 proposed program portfolio includes fourteen programs. The revisions to Rider No. 16 provide for recovery of the following: the cost for programs related to the 2012 Plan, and the profit incentive rate element approved by the Commission as required by the EUEA. The currently approved Program Rider charge under Rider No. 16 is 2.643% of each affected customer's bill. The percentage that will be applied to the customer bill upon approval of the Application and Advice Notice will be 3.084% exclusive of gross receipts tax and franchise fees and takes into account the maximum annual payment of \$75,000 by any utility customer. The total amount to be collected under the Revised Rider No. 16 will be \$26,698,883 exclusive of gross receipts tax and franchise fees. The table below identifies the cost of each component to be collected through the Rider.

EE Program Costs	Amount	Percentage Impact	Months for Recovery
2012 Program Costs	\$22,493,227	2.598%	12 months
2012 Profit Incentives	\$4,205,656	0.486%	12 months
Total	\$26,698,883	3.084%	12 months

Currently, PNM Rider No. 16 applies to PNM Electric Services customers in the following rate classes: Residential Service 1A & 1B, Small Power Service 2A & 2B, General Power Service 3B & 3C, Large Power Service 4B, Large Power Service for Mining Customers 5B, Water & Sewage Pumping 11B, Large Service for Public

Universities 15B, Special Contract Service for large Customers 23, and Large Service for Manufacturing – Distribution Level 30B.

The following tariff rider charges will be paid in addition to the current non-energy efficiency charges that the customer is paying and will be collected through a line item charge on the customer’s bill:

Affected Electric Rate Classes	Tariff Applied	Program Cost Charge
PNM Electric Service Area:		
Residential Service 1A & 1B	PNM Rider No. 16	3.084% of each bill*
Small Power Service 2A & 2B	PNM Rider No. 16	3.084% of each bill*
General Power Service 3B & 3C	PNM Rider No. 16	3.084% of each bill*
Large Power Service 4B	PNM Rider No. 16	3.084% of each bill*
Large Power Service for Mining Customers 5B	PNM Rider No. 16	3.084% of each bill*
Water & Sewage Pumping 11B	PNM Rider No. 16	3.084% of each bill*
Large Service for Public Universities 15B	PNM Rider No. 16	3.084% of each bill*
Special Contract Service – Large Customers 23	PNM Rider No. 16	3.084% of each bill*
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 16	3.084% of each bill*

*3.084% of each affected customers’ bill is exclusive of gross receipts tax and franchise fees and takes into account the maximum annual payment of \$75,000 by any utility customer.

To calculate the dollar impact of all energy efficiency program cost charges on your monthly bill you would take the amount of your current bill, deduct the amounts shown for gross receipts taxes and franchise fees, and then multiply the balance by 0.03084.

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	\$5.13	\$5.15
250	\$30.25	\$30.38
500	\$57.05	\$57.29
750	\$90.54	\$90.92
1000	\$125.30	\$125.84
2000	\$272.05	\$273.21

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	\$5.13	\$5.15
250	\$33.81	\$33.96
500	\$62.68	\$62.95
750	\$92.33	\$92.72
1000	\$122.12	\$122.64
2000	\$242.17	\$243.21

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

Energy efficiency programs play an important role in PNM's resource portfolio and are included in the 2011 Integrated Resource Plan's most cost effective resource portfolio. The benefits to customers for programs included in PNM's 2012 Energy

Efficiency and Load Management Program Plan exceed the costs, primarily due to a reduced need for future generation plant additions and the costs for capacity and energy that can be avoided through energy efficiency and load management programs.

1. 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. 12-00317-UT to this proceeding, and all inquiries or written comments concerning this matter should refer to that case number.

2. Any person desiring to become a party to this case must file, via hand delivery or regular mail at the following address, an original and five (5) copies of a Motion for Leave to Intervene in conformity with 1.2.2.23.A NMAC on or before _____, 2012:

New Mexico Public Regulation Commission
ATTN: Records Division
PERA Building
P.O. Box 1269
1120 Paseo de Peralta
Santa Fe, NM 87501-1269

3. The Commission Staff and Intervenors may file any direct testimony on or before _____, 2012.

4. Any rebuttal testimony must be filed on or before _____, 2012.

5. A public hearing will be held beginning at ____ a.m. on _____, 2013, at the Commission's offices, in the Ground Floor Hearing Room, 1120 Paseo de Peralta, Santa Fe, New Mexico, for the purpose of hearing and receiving evidence, arguments and any other appropriate matters in order to determine whether PNM's proposed programs and revised tariff rider, or other programs and tariff rider, should be

approved by the Commission. The hearing may continue on _____. Any interested person should contact the Commission for confirmation of the hearing date, time and place since hearings are occasionally rescheduled. The hearing date and other information regarding this case will also be posted on the Commission's website (www.nmprc.state.us).

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

7. The Commission's Procedural Rules found at 1.2.2 NMAC shall apply to this proceeding 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.

8. 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.

9. 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, 414 Silver, SW, Albuquerque, New Mexico 87102, telephone: (505) 241-2700, or at the Commission's offices, 1120 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 827-6941.

10. Any interested person may appear at the time and place of hearing and make a written or oral comment pursuant to 1.2.2.23F NMAC without becoming an intervenor. Interested persons may also send written comments, which shall reference NMPRC Case No. 12-00317-UT, to the Commission at the address set out in

Paragraph 2 above. However, comments governed by this paragraph will not be considered as evidence in this case.

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

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

13. 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.

I S S U E D at Santa Fe, New Mexico this ____ day of _____, 2012.

NEW MEXICO PUBLIC REGULATION COMMISSION

Hearing Examiner

#515197