BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION OF	)	
PUBLIC SERVICE COMPANY OF NEW MEXICO	)	
FOR APPROVAL OF ITS 2021 ELECTRIC ENERGY	)	
EFFICIENCY PROGRAM PLAN, PROFIT	)	**CASE NO. 20-00087-UT**
INCENTIVE AND REVISED RIDER NO. 16	)	
PURSUANT TO THE NEW MEXICO PUBLIC	)	
UTILITY ACT, EFFICIENT USE OF ENERGY	)	
ACT AND ENERGY EFFICIENCY RULE	)	
	)	
PUBLIC SERVICE COMPANY OF NEW MEXICO,	)	
	)	
APPLICANT.	)	
	)	

NOTICE TO CUSTOMERS

NOTICE is hereby given by the New Mexico Public Regulation Commission ("Commission") that:

1. On April 15, 2020, Public Service Company of New Mexico ("PNM") filed its Application under the Public Utility Act ("PUA"), the Efficient Use of Energy Act ("EUEA"), the Energy Efficiency Rule ("EE Rule"), and Advice Notice No. 567 for approvals and authorizations necessary to implement its 2021 Electric Energy Efficiency and Load Management Program Plan ("2021 Plan") and to recover costs of the 2021 Plan through a revision to PNM's Energy Efficiency Rider For PNM Electric Services No. 16 ("Rider No. 16").

2. PNM's Application requests specific approval of the following:

(a) PNM's 2021 Plan, which covers the 2021, 2022, and 2023 calendar years and which includes continuation of ten existing energy efficiency and load management programs in 2021, 2022, and 2023, with modifications, and the addition of two new behavioral programs;

(b) a profit incentive for 2021, 2022, and 2023 in accordance with Section 62-17-5(F) of the EUEA;

(c) revisions to Rider No. 16 in compliance with the EUEA and as set forth in the Advice Notice, to recover program costs and profit incentives in 2021, 2022, and 2023;

(d) a variance from the data filing requirements of Rule 530 applicable to changes in rates;

(e) variances from the provisions of the EE Rule that no longer apply due to 2019 legislative amendments to the EUEA related to the required amount of program funding; and

(f) all other approvals, authorizations and actions that may be required to implement the 2021 Plan and revised tariff rider.

3. PNM's Application includes a proposal for an Advanced Metering Infrastructure ("AMI") Pilot Program that the Commission required PNM to include in this Application. PNM does not recommend approval of the AMI Pilot Program as part of this Energy Efficiency Application, but includes the costs and customer bill impacts both with and without the AMI Pilot Program in calendar year 2021.

4. 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 2021 Plan proposed program portfolio includes twelve programs.

5. The revisions to Rider No. 16 provide for recovery of the cost for programs related to the 2021 Plan and the profit incentive rate element approved by the Commission as required by the EUEA. The currently approved Program Rider charged under Rider No. 16 is 3.210% (not including reconciliation amounts) of each affected customer's bill. The rider charge that will be applied to customers' bills upon approval of the Application and Advice Notice will be 3.640% for 2021, 3.581% for 2022, and 3.396% for 2023, exclusive of gross receipts tax and franchise fees, taking into account the maximum annual payment of $75,000 for program costs by any utility customer. The total program costs and incentive amounts reflected in Revised Rider No. 16 are $33,593,198 (net of 2019 program cost reconciliation) for 2021, $33,220,945 for 2022, and $31,692,751 for 2023, exclusive of gross receipts tax and franchise fees. These numbers do not include the proposed AMI Pilot Program, but should the AMI Pilot Program be approved the relevant data is included in the tables below in Paragraphs 8 and 10.

6. Currently, PNM Rider No. 16 applies to 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 Customers ≥8,000kW 5B, Water & Sewage Pumping 11B, Large Service for Public Universities 15B, Large Service for Manufacturing – Distribution Level 30B and Large Power Service >=3,000kW 35B.

7. The table below identifies the cost of each component to be collected through the Rider for 2021 if the proposed AMI Pilot Program is not approved:

EE Program Costs	Amount	Percentage Impact	Months for Recovery
2021 Program Costs	$31,366,198	3.405%	12 months
2021 Profit Incentives	$2,227,000	0.235%	12 months
Total	$33,593,198	3.640%	12 months

8. The table below identifies the cost of each component to be collected through the Rider for 2021 if the proposed AMI Program is approved:

EE Program Costs	**Amount**	**Percentage Impact**	**Months for Recovery**
2021 Program Costs	$34,102,415	3.707%	12 months
2021 Profit Incentives	$2,421,271	0.255%	12 months
Total	$36,523,686	3.962%	12 months

9. For 2021, 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. This reflects the rider charges if the proposed Advanced Metering Infrastructure Pilot Program is not approved as part of the 2021 Plan:

Affected Rate Classes	Tariff Applied	Program Cost Charge
Residential Service 1A & 1B	PNM Rider No. 16	3.640% of each bill*
Small Power Service 2A & 2B	PNM Rider No. 16	3.640% of each bill*
General Power Service 3B & 3C	PNM Rider No. 16	3.640% of each bill*
Large Power Service 4B	PNM Rider No. 16	3.640% of each bill*
Large Power Service for Customers ≥8,000kW 5B	PNM Rider No. 16	3.640% of each bill*
Water & Sewage Pumping 11B	PNM Rider No. 16	3.640% of each bill*
Large Service for Public Universities 15B	PNM Rider No. 16	3.640% of each bill*
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 16	3.640% of each bill*
Large Power Service >=3,000kW 35B	PNM Rider No. 16	3.640% of each bill*

*3.640% of each affected customer's bill is exclusive of gross receipts tax and franchise fees and takes into account the maximum annual payment for program costs of $75,000 by any utility customer.

To calculate the dollar impact of all energy efficiency program cost charges on your monthly bill for 2021, 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 0.03640.

For PNM residential customers on Rate Schedule 1A without demand meters, the current average monthly bill and the anticipated 2021 bill (not including the AMI Pilot Program) for each of the following levels of consumption are as follows:

Consumption (kwh)	Current Bill	Anticipated bill
0	$7.34	$7.37
250	$33.58	$33.72
500	$61.54	$61.80
750	$96.40	$96.80
1000	$133.04	$133.59
2000	$290.36	$291.57

10. For 2021, 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. This reflects the rider charges if the proposed Advanced Metering Infrastructure Pilot Program is approved as part of the 2021 Plan:

Affected Electric Rate Classes	Tariff Applied	Program Cost Charge
Residential Service 1A & 1B	PNM Rider No. 16	3.962% of each bill*
Small Power Service 2A & 2B	PNM Rider No. 16	3.962% of each bill*
General Power Service 3B & 3C	PNM Rider No. 16	3.962% of each bill*
Large Power Service 4B	PNM Rider No. 16	3.962% of each bill*
Large Power Service for Customers ≥8,000kW 5B	PNM Rider No. 16	3.962% of each bill*
Water & Sewage Pumping 11B	PNM Rider No. 16	3.962% of each bill*
Large Service for Public Universities 15B	PNM Rider No. 16	3.962% of each bill*
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 16	3.962% of each bill*
Large Power Service >=3,000kW 35B	PNM Rider No. 16	3.962% of each bill*

*3.962% of each affected customer's bill is exclusive of gross receipts tax and franchise fees and takes into account the maximum annual payment for program costs of $75,000 by any utility customer.

To calculate the dollar impact of all energy efficiency program cost charges on your monthly bill for 2021, 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 0.03962.

For PNM residential customers on Rate Schedule 1A without demand meters, the current average monthly bill and the anticipated 2021 bill (including the AMI Pilot Program) for each of the following levels of consumption are as follows:

Consumption (kwh)	Current Bill	Anticipated bill
0	$7.34	$7.39
250	$33.58	$33.83
500	$61.54	$61.99
750	$96.40	$97.10
1000	$133.04	$134.01
2000	$290.36	$292.48

11. The table below identifies the cost of each component to be collected through the Rider for 2022:

EE Program Costs	Amount	Percentage Impact	Months for Recovery
2022 Program Costs	$31,018,623	3.350%	12 months
2022 Profit Incentives	$2,202,322	0.231%	12 months
Total	$33,220,945	3.581%	12 months

12. For 2022, 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
Residential Service 1A & 1B	PNM Rider No. 16	3.581% of each bill*
Small Power Service 2A & 2B	PNM Rider No. 16	3.581% of each bill*
General Power Service 3B & 3C	PNM Rider No. 16	3.581% of each bill*
Large Power Service 4B	PNM Rider No. 16	3.581% of each bill*
Large Power Service for Customers ≥8,000kW 5B	PNM Rider No. 16	3.581% of each bill*
Water & Sewage Pumping 11B	PNM Rider No. 16	3.581% of each bill*
Large Service for Public Universities 15B	PNM Rider No. 16	3.581% of each bill*
Large Service, Manufacturing – Distribution Level 30B	PNM Rider No. 16	3.581% of each bill*
Large Power Service >=3,000kW 35B	PNM Rider No. 16	3.581% of each bill*

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