

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF THE APPLICATION OF EL PASO )  
ELECTRIC COMPANY FOR APPROVAL OF A GRID )  
MODERNIZATION PROJECT TO IMPLEMENT AN )  
ADVANCED METERING SYSTEM (AMS) PROJECT, ) Case No. 21-00269-UT  
ADVICE NOTICE NO. 274, ORIGINAL RATE NO. 46 - )  
ADVANCED METERING SYSTEM RIDER, )  
RATE NO. 15 – MISCELLANEOUS SERVICE CHARGES, )  
AND ORIGINAL FORM 42 FOR OPT-OUT PROVISION )  
AND FEES )**

**NOTICE TO EPE CUSTOMERS**

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

On October 29, 2021, El Paso Electric Company ("EPE" or "Company") filed its Application for Approval of a Grid Modernization Project to Implement an Advanced Metering System (AMS) Project ("AMS Project" or "Project"), Advice Notice No. 274, Original Rate No. 46 – Advanced Metering System Rider, Revised Rate No. 15 – Miscellaneous Service Charges, and Original Form 42 for Opt-Out Provision and Fees ("Application") in accordance with the Public Utility Act ("PUA") NMSA 1978, § 62-8-12 (2019).

EPE's proposed AMS Project includes three components: (1) advanced electric meters that enable two-way data communication; (2) a secure and reliable communications network that supports two-way data communication; and (3) related and supporting systems, including a Meter Data Management System ("MDMS"). Pursuant to the Grid Modernization Statute, EPE seeks recovery for its cost of service in the form of a cost rider.

EPE seeks Commission approval approving EPE's proposed AMS Project and cost recovery, and EPE specifically requests the following:

- Authorization to acquire and implement the proposed AMS Project;

- Approval of reasonable project costs including the estimated New Mexico AMS Project costs and ongoing O&M costs;
- Approval of EPE’s Original Rate No. 46 – Advanced Metering System Rider (“AMS Rider”) and cost of service ratemaking methodology for recovery of the AMS Project’s estimated operating expenses and actual capital cost, beginning effective January 1, 2022, subject to reconciliation and true up to actual costs;
- Approval of EPE’s 10th Revised Rate No. 15 – Miscellaneous Service Charges, to incorporate proposed fees for customers electing to opt out of the advanced metering deployment;
- Approval of EPE’s Original Form 42 Advance Metering System Opt-Out Acknowledgement Forms;
- Approval of reporting criteria; and
- Any other approvals, authorization, and actions that may be required under the Grid Modernization Statute, the Public Utility Act, or the Commission’s Rules to implement EPE’s AMS Project and cost recovery.

EPE’s estimated New Mexico AMS Project Costs are \$35.5 million (capital and customer education). EPE’s New Mexico ongoing O&M costs are \$323,898 for 2022 and estimated to be \$5.1 million over a 10-year period (\$4.5 million of ongoing O&M costs and \$0.6 million of customer education expenses).

As part of the Application, EPE requests Commission approval of Original Rate No. 46–AMS Rider, which is a monthly rider fixed surcharge designed to recover the reasonable and necessary costs of the AMS Project.

EPE’s proposed rider is designed to recover actual Project costs annually, by incorporating a reconciliation mechanism, as well as a cost of service for capital investment supporting the AMS Project-primarily meter costs. The AMS Rider is also designed to provide customers operational cost savings as technologies and meters are deployed. The proposal synchronizes Project costs and benefits through implementation.

EPE proposes to annually file an advice notice revising the AMS Rider consistent with the schedule of planned capital investments and expected costs for the project. The revised rider will include a reconciliation for the prior 12-month period to ensure that only actual incurred Project costs are recovered.

The following table lists the proposed AMS Rider rates which would be in effect beginning with Commission project approval expected in 2022:

<b>Tariff</b>	<b>Rate Class</b>	<b>AMS Rider Rates/Monthly Surcharge</b>
01	Residential Service	\$0.21
03	Small General Service	\$0.27
04	General Service	\$0.58
05	Irrigation Service	\$0.35
07	City and County Service	\$0.33
08	Water Pumping Service	\$0.44
09	Large Power Service	\$0.60
11	Street Lighting Service	\$0.41
19	Seasonal Agricultural Service	\$0.50
25	Outdoor Recreational Lighting Service	\$0.39
26	State University Service	\$0.63

The following table provides an *estimate* for the projected upper range of future AMS Rider rates for each rate class based on the estimated highest annual cost of service. However, these estimated future AMS Rider rates are subject to change based on the actual cost of service.

<b>Tariff</b>	<b>Rate Class</b>	<b>Estimated AMS Rider Rates/Monthly Surcharge</b>
01	Residential Service	\$4.24
03	Small General Service	\$5.51
04	General Service	\$11.76
05	Irrigation Service	\$7.15
07	City and County Service	\$6.65
08	Water Pumping Service	\$8.93
09	Large Power Service	\$12.22
11	Street Lighting Service	\$8.26
19	Seasonal Agricultural Service	\$10.21
25	Outdoor Recreational Lighting Service	\$7.85
26	State University Service	\$12.91

The Commission has set the schedule for hearing of this case as follows:

A. A public hearing shall be held beginning on June 6, 2022, commencing at 9:00 AM MDT, and shall continue as necessary through June 8, 2022. The hearing will take place via the Zoom platform in whole or in part depending on potential Covid restrictions, guidelines, or safety concerns, and/or space considerations in the Commission offices. Participation in the evidentiary hearing shall be limited to party-participants (*i.e.*, counsel, witnesses, and other representatives of the parties), and the Commissioners. Interested persons may view the evidentiary hearing via a livestream on YouTube provided on the Commission's website at <http://www.nmprc.state.nm.us/>

B. Any person desiring to intervene in the proceeding must file a motion to intervene by April 15, 2022, pursuant to 1.2.2.23 NMAC. All motions for leave to intervene shall be served on all existing parties and prospective intervenors of record.

C. Commission Staff shall, and intervenors may, file testimony by April 22, 2022.

D. Any stipulation and supporting documents pursuant to 1.2.2.20 NMAC including the reconciliation statement containing the information listed in 1.2.2.36(F) NMAC may be filed by April 29, 2022.

E. Opposition to any stipulation shall be filed by May 5, 2022.

F. Rebuttal testimony or in the alternative, testimony in support of a stipulation, shall be filed by May 11, 2022.

G. Testimony in opposition to any stipulation shall be filed by May 16, 2022.

H. A prehearing conference will be held on June 2, 2022, at 9:30 A.M. via the Zoom platform.

This matter has been designated as Case No. 21-00269-UT and all inquiries and correspondence should refer to that number.

The Commission's Rules of Practice and Procedure, 1.2.2 NMAC, apply to this case except as modified by Order. The Rules of Procedure are available online at <http://www.srca.nm.gov/parts/title01/01.002.0002.html>.

Any interested person may inspect EPE's Application filed in this case at EPE's offices, 201 N. Water, Las Cruces, New Mexico, telephone number (575) 526-5551, or at EPE's website <http://www.epelectric.com/> or at the Commission's website, <http://www.nmprc.state.nm.us> under "Case Lookup EdoCKET".

Interested persons who are not affiliated with a party may make written or oral comments without becoming intervenors. Oral comments will be entertained only at the 9:00 A.M. start of the hearing on June 6, 2022 and will be limited to three minutes. Persons interested in providing public comment must request a Zoom invitation by e-mailing Ana Kippenbrock at [ana.kippenbrock@state.nm.us](mailto:ana.kippenbrock@state.nm.us) by no later than 3:00 pm MT on June 3, 2022. Interested persons may also send written comments, which shall reference NMPRC Case No. 21-00269-UT, to the Commission at [prc.records@state.nm.us](mailto:prc.records@state.nm.us). Such comments will not be considered as evidence in this case.

Anyone filing pleadings, documents or testimony in this case shall, until further notice, comply with the Commission's electronic filing policy, as amended from time to time. This includes filings in .pdf format, with electronic signatures, sent to the Commission Records Management Bureau's email address at: **[prc.records@state.nm.us](mailto:prc.records@state.nm.us)** within regular business hours of the due date, to be considered timely filed. Documents received after regular business hours, will be considered as being filed the next business day. Regular business hours are from 8:00 a.m. to 5:00 p.m. Mountain Time. Parties shall serve a copy on all parties of record and Staff. All filings shall be emailed on the date they are filed with the Commission. In addition, all filings shall be emailed to the Hearing Examiner on the date filed at [elizabeth.hurst@state.nm.us](mailto:elizabeth.hurst@state.nm.us). Such emailing

shall include the Word or other native version of the filing (e.g., Excel or Power Point) if created in such format.

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

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

Interested persons should contact the Commission at 505-690-4191 for confirmation of the hearing dates, times and places, since hearings are occasionally rescheduled.

**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 PUBLIC HEARING.**

**I S S U E D** at Santa Fe, New Mexico this 28<sup>th</sup> day of January 2022.

**NEW MEXICO PUBLIC REGULATION COMMISSION**

**/s/Elizabeth C. Hurst**

**Elizabeth C. Hurst  
Hearing Examiner**