

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF EL PASO ELECTRIC COMPANY FOR</b>	)	<b>Case No. 24-00113-UT</b>
<b>APPROVAL TO IMPLEMENT A TIME-</b>	)	
<b>VARYING RATE PILOT PROGRAM</b>	)	
	)	
<b>EL PASO ELECTRIC COMPANY,</b>	)	
	)	
<b>Applicant.</b>	)	
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**NOTICE TO CUSTOMERS**

To customers of El Paso Electric Company (EPE): this document is required by the New Mexico Public Regulation Commission (Commission). The purpose of this document is to provide you with notice of EPE’s request that the Commission allow EPE to implement a time-varying rate pilot program. This notice:

- Describes the Commission’s process for considering EPE’s request; and
- Describes how you can participate in this process if you wish to do so.

If you would like to participate in this process, the information below details how you may participate. **IF YOU DO NOT WANT TO PARTICIPATE IN THIS PROCESS, NO ACTION IS REQUIRED ON YOUR PART.**

**NOTICE** is hereby given by the Commission of the following:

1. On March 28, 2024, EPE filed its Application for Approval to Implement a Time Varying Rate (TVR) Pilot Program (TVRPP).
2. The Application is made pursuant to NMSA 1978, Section 62-8-13, which governs applications for grid modernization projects, as well as Rule 17.1.2.10 of the New Mexico Administrative Code (“NMAC”), and the Commission’s Final Order in Docket No. 21-00269-UT.
3. EPE’s Application asks the Commission to approve the following:

- A. Authorization to implement the TVRPP;
  - B. Approval of EPE's Original Rate No. 48 – Pilot Residential Time-Varying Rate, which originally had an effective date of August 1, 2024;
  - C. Approval of EPE's Original Rate No. 49 – Pilot Small General Service Time-Varying Rate, which originally had an effective date of August 1, 2024;
  - D. Approval of reasonable Pilot Program costs estimated to be \$908,800, for recovery through base rates in a future ratemaking proceeding;
  - E. To the extent required, approval of the following variances:
    - i. Variance from the minimum data standard requirements in 17.9.530 NMAC; and
    - ii. variance from the requirements of 17.2.3.10(B)(2)(b), 17.1.2.10(C)(1)(b) and 17.1.2.10(C)(2)(a) through (e) NMAC; and
  - F. Any other approvals, authorizations, and actions that may be required under the Grid Modernization Statute, the Public Utility Act or Commission's Rules to implement EPE's TVRPP.
4. The pilot design and approach of the TVRPP is set forth in EPE's Time-Varying Rate Pilot Design report and the pilot rates are set forth in Original Rate No. 48 – Pilot Residential Time-Varying Rate and Original Rate No. 49 – Pilot Small General Service Time-Varying Rate. EPE concurrently filed Advice Notice No. 299 with the proposed rate schedules.
5. EPE originally requested expedited approval of its Application by August 1, 2024 to provide sufficient time for EPE to recruit and register customers for program participation by the target implementation date in spring of 2025.

6. EPE is proposing to pilot three different time-varying rate options in the TVRPP: a 2-period time-of-day (“TOD”) rate, a 2-period TOD rate with a demand charge, and a 2-period TOD rate with a critical peak price (“CPP”) component. The TVR variants will be tested through eight different treatment cells and will only be offered to the residential and small general services customer classes. Of the eight treatments, five treatments will be offered to the residential customer class (includes a treatment for low-income customers) and three treatments will be offered to the small general service customer class.

7. The TVRPP will only be offered on a voluntary basis to residential and small general service customers and will not affect the rates charged to EPE’s non-participating retail customers. EPE’s proposed TVR pilot program is expected to commence in spring of 2025, subject to timing of Commission approval, and will run for a minimum of one full year.

8. The purpose of the TVRPP is to measure the extent to which customers respond to price signals and reduce peak hours usage or shift their usage to off-peak hours. The pilot data will be used to inform a company-wide permanent rate design that will enable full advance metering capabilities and allows EPE to defer or avoid generation, transmission and distribution capacity investments, saving ratepayer funds and leading to lower electric rates in the future.

9. The total estimated cost for the TRVPP is \$908,800. This includes project design costs of \$337,500 and research, marketing, requirement costs of \$571,300. EPE will seek to recover its reasonable Program costs through base rates in a future ratemaking proceeding.

10. This case has been docketed as Case No. 24-00113-UT, and any inquiries should be referred to that number.

11. Any interested person may examine EPE's Application and the pre-filed testimonies, exhibits, pleadings and other documents filed in the case online at

<https://www.prc.nm.gov/> under “eDocket Case Lookup,” or by making arrangements for an in-person viewing at the Commission offices by calling 1-505-827-6968 during normal business hours, or at EPE's offices, 2820 Las Vegas Ct. , Las Cruces, New Mexico, telephone number (575) 526-5555, or at EPE's website <https://www.epelectric.com/company/regulatory>. All inquiries or written comments concerning this matter should refer to Case No. 24-00113-UT.

12. The procedural schedule for this case is as follows:

A. Any person desiring to become a party (“intervenor”) to this case must file a motion for leave to intervene in conformity with 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before the close of business on **Friday, June 28, 2024**.

B. The Commission’s Utility Division Staff shall, and any intervenors may, file direct testimony on or before the close of business on **Friday, July 12, 2024**.

C. Any rebuttal testimony shall be filed on or before **Monday, August 5, 2024**.

D. All pretrial motions, including motions to strike, motions to suppress, motions to compel, or any other evidentiary motion, must be filed by the close of business on **Friday, August 9, 2024**.

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

F. A public hearing to hear and receive testimony, exhibits, arguments, and any other appropriate matters relevant to this proceeding is set to commence at 9 a.m. MT on **Thursday, August 22, 2024**. Such hearing may be vacated if deemed not required, in which case the Commission will take public comment and dispose of the Application at an Open Meeting. Due to the COVID-19 pandemic, the evidentiary hearing shall be conducted via the Zoom videoconference platform. The Zoom hearing will also be livestreamed

through YouTube and will be displayed on the Commission's website at <https://www.prc.nm.gov/>.

13. Because hearings are occasionally rescheduled, any interested person should contact the Commission by e-mail at [ana.kippenbrock@prc.nm.gov](mailto:ana.kippenbrock@prc.nm.gov) or by phone at (505) 690-4191 for confirmation of the hearing date, time, and place.

14. Interested persons who are not affiliated with a party may submit written or oral comments on this matter to the Commission pursuant to 1.2.2.23(F) NMAC. Oral comments will be permitted at the commencement of the public hearing. Any person interested in providing public comment must contact Ana Kippenbrock at [Ana.Kippenbrock@prc.nm.gov](mailto:Ana.Kippenbrock@prc.nm.gov) or (505) 690-4191 by no later than 12:00 p.m. MT on **Wednesday, August 21, 2024**. Oral comments will be limited to three minutes per speaker. Written comments can also be submitted at any time by e-mailing those comments to the Commission's Records Bureau at [prc.records@prc.nm.gov](mailto:prc.records@prc.nm.gov). Any comments offered must reference Case No. 24-00113-UT. Pursuant to 1.2.2.23(F) NMAC, written and oral comments are not considered evidence.

15. The Commission's rules, see 1.2.2 NMAC, apply to this case, except as modified by Order of the Commission or the Hearing Examiner. They are available online at <https://www.srca.nm.gov/nmac-home/nmac-titles/>.

16. Anyone filing pleadings, documents, or testimony in this case must serve copies thereof on all parties of record and Staff via email. Any such filings must also be sent to the Hearing Examiners by email at [christopher.ryan@prc.nm.gov](mailto:christopher.ryan@prc.nm.gov) and [john.kreienkamp@prc.nm.gov](mailto:john.kreienkamp@prc.nm.gov). All pleadings must be emailed on the date they are filed with the Commission.

17. The procedural dates and requirements provided in this Notice are subject to further order of the Commission or Hearing Examiners.

**PERSONS WITH DISABILITIES**

ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ACCOMMODATIONS TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION AT 1-888-427-5772 OR (505) 690-4191 TO REQUEST SUCH ACCOMMODATIONS AS SOON AS POSSIBLE, PREFERABLY AS SOON AS THE PERSON RECEIVES NOTICE OF THIS PROCEEDING TO ALLOW CONSIDERATION OF THE REQUEST AND TO ARRANGE FOR A POTENTIAL REASONABLE ACCOMMODATION.

**ISSUED** under the seal of the Commission at Santa Fe, New Mexico, this **1<sup>st</sup>** day of **May** **2024**.



**NEW MEXICO PUBLIC REGULATION COMMISSION**

A handwritten signature in black ink, appearing to read "John F. Kreienkamp".

John F. Kreienkamp  
Hearing Examiner  
[john.kreienkamp@prc.nm.gov](mailto:john.kreienkamp@prc.nm.gov)