

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC)	
COMPANY'S APPLICATION FOR)	
APPROVAL OF A LONG TERM PURCHASE)	Case No. 12-00386-UT
POWER AGREEMENT WITH MACHO)	
SPRINGS SOLAR, LLC)	
_____)	

NOTICE OF PROCEEDING AND HEARING

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

1. On November 21, 2012, El Paso Electric Company, Inc, ("EPE" or the "Company") filed an Application requesting prior approval of a Long-Term Purchased Power Agreement ("LTPPA") with Macho Springs Solar, LLC ("Macho Springs") pursuant to the New Mexico Public Regulation Commission's ("NMPRC" or "Commission") Rule 17.9.5551 NMAC, Prior Approval of Purchased Power Agreements ("Rule 551" or "Rule"). Subject to the approval of the Commission, EPE has entered into a twenty-year LTPPA with Macho Springs to purchase energy from a 50 megawatt ("MW") solar facility to be constructed by Macho Springs in EPE's New Mexico service territory. The new facility is anticipated to be in service by May 2014.

2. EPE also seeks approval of the recovery of costs associated with the LTPPA through EPE's Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") in accordance with Rule 551 and Rule 17.9.550 NMAC, Fuel and Purchased Power Cost Adjustment Clauses for Electric Utilities. EPE states that the price of the purchased energy will be \$57.90 per MWh. Cost under the contract allocated to New Mexico customers in the first year of operation of the facility is estimated to be \$1,950,919. EPE anticipates that, because the purchase of power under the Macho Springs PPA will allow EPE to replace existing power purchases, the net impact to New Mexico customers will be less than the cost of the PPA allocated to New Mexico. EPE has estimated that the bill impact for a residential customer in New Mexico using 685 kWh per

month would be approximately \$0.22 per month, or an increase of approximately 0.2% compared to the current average monthly bill of \$89 per month, depending on system operations and market prices at the time.

3. EPE is certified and authorized to conduct the business of providing public utility service within the State of New Mexico, and is a public utility subject to the jurisdiction of the Commission under the Public Utility Act.

4. The Commission has assigned Case No. 12-00386-UT to this proceeding, and all questions or written comments concerning EPE's Application should refer to this case number.

5. The following schedule shall apply to the relief requested in the Application:

(a) On or before February 28, 2013, any person who desires to become a party to this case must file a motion for leave to intervene, pursuant to 1.2.2.23.A and 1.2.2.23.B NMAC.

(b) On or before February 1, 2013, EPE shall file supplemental testimony as directed in the Procedural Order for this case.

(c) EPE and/or the LTPPA Supplier shall file a position statement, with affidavit, on February 1, 2013, addressing its assertions regarding whether all, or specific portions of contract terms, should be designated confidential and protected pursuant to the terms of the Protective Order in this case. The Commission's Utility Division Staff shall file a Response on February 8, 2013.

(d) On or before February 28, 2013, Staff shall, and any Intervenors may, file direct testimony regarding EPE's Application.

(e) On or before March 7, 2013, parties shall file any desired rebuttal testimony.

(f) On March 14, 2013, a public hearing on the merits of EPE's Application will be held beginning at 9:30 a.m., and continuing thereafter as necessary, at the offices of the Commission, PERA Building, 1120 Paseo de Peralta, Santa Fe, New Mexico, to hear and receive testimony, exhibits, arguments, and any other appropriate matters pertaining to the Application. Such hearing may be vacated if deemed not required under NMSA 1978, Section 62-9-1 (2005), in which case the Commission will take public comment and dispose of the Application at an Open Meeting.

6. Further information regarding this case may be obtained by contacting EPE or the Commission at the addresses and telephone numbers provided below. All inquiries or written comments concerning this matter should refer to Case No. 12-00386-UT.

7. EPE's Application, together with supporting pre-filed direct testimony and any exhibits and related papers, may be examined by any interested person at the offices of EPE or the Commission at the following addresses:

El Paso Electric Company
201 N. Water Street
Las Cruces, NM 88001-1219
(505) 526-5551

New Mexico Public Regulation Commission
PERA Building -- 1120 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone: 1-888-427-5772

8. Pursuant to Rule 551, the Commission may approve EPE's Application for a CCN without a formal hearing if no protest is filed within sixty days of the date that notice has been given that EPE has filed its Application. Therefore, the formal hearing scheduled for this matter may be vacated upon further order of the Commission or Hearing Examiner. Any protest to EPE's Application shall be filed on or before March 28, 2013, stating the grounds for protest.

9. Any interested person may appear at the time and place of hearing and make written or oral comment pursuant to 1.2.2.23.F NMAC without becoming an Intervenor. Interested persons may also send written comments, which shall reference Case No. 12-00386-UT, to the Commission at the address set out above. All such comments will not be considered as evidence in this case.

10. The procedural dates and requirements provided herein are as provided in the Procedural Order issued in this case, and are subject to further order of the Commission or Hearing Examiner.

11. Any interested person should contact the Commission for confirmation of the hearing date, time and place since hearings are occasionally rescheduled.

12. Anyone filing pleadings, documents or testimony in this case shall serve a copy on all parties of record, Staff and the Hearing Examiner as indicated in the Commission's service list for the case. All such filings shall also be sent to the Hearing Examiner via email in PDF and WORD formats, at ashley.schannauer@state.nm.us. All filings shall be e-mailed on the date they are filed with the Commission.

13. Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath. All documents mailed to the Commission and its personnel shall be mailed to: P.O. Box 1269, Santa Fe, New Mexico, 87504. The physical address of the Commission shall be used only for special or hand deliveries.

14. The Commission's Administrative Procedures (1.2.2 NMAC) will apply to this case except as modified by Order of the Commission or Hearing Examiner.

15. Any person with a disability requiring special assistance in order to participate in this case should contact the Commission at least 24 hours prior to the commencement of the hearing.

ISSUED at Santa Fe, New Mexico, this **January 22, 2013**.

NEW MEXICO PUBLIC REGULATION COMMISSION

Ashley C. Schannauer
Hearing Examiner