

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF EL PASO ELECTRIC COMPANY)	
FOR APPROVAL OF AN ECONOMIC)	
DEVELOPMENT TARIFF)	Case No. 16-00304-UT
)	
EL PASO ELECTRIC COMPANY,)	
Applicant.)	
)	
)	
)	

NOTICE OF PROCEEDING

Notice is hereby given that:

On November 15, 2016, El Paso Electric Company (“EPE”) filed its Application to implement an Economic Development Rate (“EDR”), Original Rate No. 31 (“Tariff”), under NMSA 1978, Section 62-6-26 (2014) (“Application”). EPE requests approval of its Application and proposed tariff together with all other approvals, authorization, and actions that may be required for implementation. The proposed Tariff is contained in EPE’s proposed Advice Notice No. 241, which was filed concurrently with the Application.

EPE is statutorily permitted to enter into mutually agreeable special rate contracts with its retail customers for purposes of economic development pursuant to NMSA 1978, Section 62-6-26 (2014). Pursuant to 17.1.2.10 NMAC, EPE has filed Advice Notice No. 241, proposing to implement the proposed Tariff, which will be available to new and existing customers under the following criteria:

- A New Customer must not have taken electric service from EPE in New Mexico or Texas within the twelve (12) consecutive months prior to requesting the EDR.
- An Existing Customer must have taken electric service from EPE for a period of at least twelve (12) consecutive months prior to requesting the EDR, during which time the Existing Customer must have had a minimum monthly measured demand

of at least 500 kW. An Existing Customer must have a proposed incremental demand of at least 100 kW. The minimum monthly billing demand for any New Customer to be eligible for service under this rate schedule must be at least 500 kilowatts (“kW”).

- New and existing customers taking service under this rate schedule must permanently increase employment by a minimum of two (2) full-time employees per 100 kW of new or additional load. The customer must furnish EPE with a notarized affidavit from an officer, owner or other appropriate official of the Customer identifying the number of Qualifying Employees directly associated with the new or increased connected load. Additionally, the Customer’s affidavit must confirm that availability of this rate schedule was an important contributing factor in the Customer's decision to add the new or additional load, and that absent this rate schedule, the Customer would have exercised other available options and added new load or located new service outside of the Company’s New Mexico service territory. The Customer must also furnish EPE with similar affidavits stating the actual number of Qualifying Employees as of December 31 of each year that this rate schedule is in effect. Such subsequent written affidavits will be submitted to EPE no later than January 31 of the following year.

The proposed Tariff will offer new and existing customers eligible for service under the Tariff the ability to negotiate a 4-year special rate contract with EPE at a rate not lower than EPE’s incremental cost of service. At a minimum, incremental cost shall include all additional costs incurred to serve the economic development rate customer that would not otherwise have been incurred to serve other customers, fuel and purchased power costs, costs recoverable from

customers pursuant to the Renewable Energy Act and the Efficient Use of Energy Act, and the direct costs of the facilities necessary to provide service to the customers.

Further information regarding this case may be obtained by contacting EPE or the Commission at the addresses and telephone numbers provided below. The Commission has assigned Case No. 16-00304-UT to this proceeding, and all inquiries or written comments concerning this matter should refer to that case number.

The present procedural schedule established by the Commission for this proceeding is as follows:

1. Staff of the Utility Division of the Commission (“Staff”) shall file a recommendation, supported by an affidavit, with regard to the Application, on or before December 30, 2016.
2. Any person who desires to intervene to become a party to this case must file a Motion for Leave to Intervene, pursuant to 1.2.2.23 NMAC, on or before January 23, 2017. Such Motions for Leave to Intervene should be accompanied by any comments regarding the Application that the person seeking intervention would like the Commission to consider.

The Commission has not yet set a hearing date in this matter. The Commission may determine that a hearing is not necessary after receiving the recommendation of Staff and any comments from interveners.

Any interested person may examine EPE’s Application together with any exhibits and related papers that may be filed in this case at EPE’s office, 201 N. Water Street, Las Cruces, New Mexico 88001, telephone (575) 526-5551, or at the Commission’s offices, PERA Building, 1120 Paseo de Peralta Santa Fe, New Mexico 87501, telephone: (505) 827-6941.

Any interested person may appear at the time of hearing and make a written or oral comment without becoming an intervener, but the comment will not be considered as evidence in this proceeding. Interested persons may also send written comments, which shall reference NMPRC Case No. 16-00304-UT, to the Commission at the address set out above.

Anyone filing pleadings or testimony shall serve copies upon all parties of record, including Staff, by first class mail or hand-delivery and by e-mail (if available).