



NEW MEXICO  
**PUBLIC REGULATION  
COMMISSION**

**FOR IMMEDIATE RELEASE**

December 8, 2023

## **Hearing Examiners issue recommended decision in PNM rate**

**SANTA FE** – The New Mexico Public Regulation Commission (NMPRC) announced today that its Hearing Examiners Division has issued a recommended decision in the matter of the application of Public Service Company of New Mexico (PNM) for revision of its retail electric rates (case no. 22-00270-UT). This case will affect the prices PNM's customers will pay for electricity. A copy of the recommended decision can be found [here](#).

Submitted in December 2022, PNM's application asks for rate increases to collect a purported \$63.8 million to which it claimed it was entitled. Following careful consideration of the evidence supplied to the Commission during a nearly month-long hearing, the recommended decision concludes that PNM's projected revenue deficiency is only \$6.1 million, a reduction of about 90 percent.

Because of the reduction to the claimed revenue deficiency, the average PNM residential customer will see a roughly 3 percent decrease in their monthly billing statement. The recommended decision would authorize PNM to collect more revenue to satisfy the adjusted revenue deficiency, and it advises the Commission to approve most of PNM's requests in the application.

The reduction in the company's claimed revenue deficiency is largely attributable to the hearing examiners' agreement with intervenors in the case about the following: PNM's return on equity should be set at 9.26 percent, the company's capital structure should remain 49.61 percent equity as set in PNM's previous two rate cases, and PNM has over projected plant in service that will clear in the time relevant for rate setting in this case.

Another recommendation that has impact on the overall revenue deficiency is the recommended treatment of the Palo Verde Nuclear Generating Station and the Four Corners Power Plant, two issues that have long been outstanding.

The recommended decision also proposes that the Commission not make a determination on PNM's proposed time-of-day-rate pilot program in this matter and instead recommends that this issue be considered in PNM's ongoing grid modernization proceeding, case no. 22-00058-UT. This is to ensure a rate design that allows customers to take advantage of the information advanced meters will provide.

The parties will have an opportunity to take exceptions to the recommendation, and then the Commission will review the recommended decision considering the record and the parties' exceptions and whether to accept or modify the recommended decision regarding the application. A final order by Commissioners James Ellison and Gabriel Aguilera will be issued by January 4, 2024; Commissioner Pat O'Connell recused himself from this

case at its inception.

An online copy of this press release can be found [here](#).

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*The New Mexico Public Regulation Commission (NMPRC) regulates the utilities, telecommunications, and motor carrier industries to ensure fair and reasonable rates, and to assure reasonable and adequate services to the public as provided by law. The NMPRC also promotes public safety through the Pipeline Safety Bureau and Transportation Division.*

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