

143 FERC ¶ 61,175
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 28, 2013

In Reply Refer To:
Public Service Company of New Mexico
Docket Nos. ER13-1211-000 and
ER13-1212-000

Public Service Company of New Mexico
Attn: Mike Edwards
Director, Federal Regulatory Policy
414 Silver Ave, S.W. MS 1115
Albuquerque, NM 87102

Dear Mr. Edwards:

1. On April 1, 2013, Public Service Company of New Mexico (PNM) submitted proposed revisions to reflect changes to the real power loss factor consistent with the Annual Real Power Loss Factor Calculation Process that was accepted as part of PNM's Open Access Transmission Tariff (OATT) under a Commission-approved uncontested settlement.¹ Under the settlement, the parties agreed to a process for an annual review and for the establishment of a real power loss factor for PNM based on measured data, as set forth in Attachment A to the settlement.² Consistent with that process, PNM proposes revisions to its OATT in Docket No. ER13-1212-000, along with proposed revisions to an Interconnection Agreement with El Paso Electric Company and to a Transmission Service Contract with Western Area Power Administration (Western) (together, Agreements) in Docket No. ER13-1211-000. The revisions are accepted, effective June 1, 2013, subject to refund and the outcome of the proceeding in Docket No. ER13-685-000, *et al.*, as discussed below.

¹ *Public Service Company of New Mexico*, 142 FERC ¶ 61,004 (2013).

² *Public Service Company of New Mexico*, 140 FERC ¶ 63,008, at P 13 (2012).

2. The Annual Real Power Loss Factor Calculation Process specifies the formula to be used to calculate the real power loss factor. It also provides that PNM will file any revised real power loss factor with the Commission on April 1st and request an effective date of June 1st. PNM explains that the real power loss factor for the PNM OATT is 3.47 percent, with the exception of two customers (the City of Gallup, New Mexico and Navopache Electric Cooperative, Inc.) who are assigned a real power loss factor of 3.48 percent. PNM also explains that the real power loss factor in the Agreements is 3.47 percent. PNM requests that the Commission allow the revisions to the OATT and Agreements become effective June 1, 2013.

3. Notice of PNM's filings was published in the *Federal Register*, 78 Fed. Reg. 20904 (2013), with interventions and protests due on or before April 22, 2013. Timely motions to intervene were filed by Western, Navajo Tribal Utility Authority and the Incorporated County of Los Alamos, New Mexico (Los Alamos), whose pleading also included a conditional protest.

4. Los Alamos agrees that, consistent with the OATT, PNM has excluded losses associated with radial lines. However, Los Alamos notes that, in a separate proceeding before the Commission in Docket No. ER13-685-000, *et al.*, Los Alamos has protested proposed protocols that would be used to identify radial lines on PNM's system. Specifically, Los Alamos argues that PNM's proposed protocols fail to identify all of the radial lines on its system. Los Alamos states that, if the Commission ultimately agrees with Los Alamos, the losses associated with additional radial lines would need to be subtracted from the losses used by PNM to calculate the loss factor proposed in the instant proceeding. Accordingly, Los Alamos conditionally protests the loss factor proposed by PNM in this proceeding on the ground that it may be too high and may need to be reduced depending on the outcome of Docket No. ER13-685-000, *et al.* Los Alamos requests that the Commission make its acceptance here subject to refund and subject to further adjustment pending the outcome of the proceedings in Docket No. ER13-685-000, *et al.*

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2012), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

6. We accept the proposed revisions, effective June 1, 2013, subject to refund and the outcome of the proceeding in Docket No. ER13-685-000, *et al.* The proposed revisions to the OATT and Agreements are consistent with the existing Annual Real Power Loss Factor Calculation Process approved by the Commission. However, we agree with Los Alamos that the real power loss factors proposed here might be impacted by the outcome

of the Docket No. ER13-685-000, *et al.* proceeding. Accordingly, our acceptance of the proposed revisions here is subject to refund and the outcome of the proceeding in Docket No. ER13-685-000, *et al.*

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.