



BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S PETITION)
FOR DECLARATORY ORDER REGARDING)
THE PURCHASE OF RENEWABLE ENERGY)
CERTIFICATES FROM QUALIFYING)
FACILITIES)

Utility Case No. 05-00352-UT

PUBLIC SERVICE COMPANY OF)
NEW MEXICO,)

Petitioner,)
_____)

PROCEDURAL ORDER

The New Mexico Public Regulation Commission ("Commission"), through the undersigned Hearing Examiner, hereby gives notice of the following:

1. On March 14, 2006, a pre-hearing conference was held in this case.
2. The following procedural details have been set for this case:

A. A public hearing will be held beginning at 10:00 a.m. on August 2, 2006, at the Commission's offices, 224 East Palace Avenue, Santa Fe, New Mexico, 87501, to hear and receive testimony, exhibits, arguments and any other appropriate matters related to this proceeding. The hearing may continue through Thursday, August 3, 2006.

B. All parties must file direct testimony on or before June 30, 2006.

C. Any rebuttal testimony must be filed on or before July 21, 2006.

D. PNM shall cause, at its sole expense, a copy of the attached Notice to be published in the Albuquerque Journal on or before April 16, 2006. Any person who desires to intervene to become a party to this case must file a Motion for Leave to

Intervene, pursuant to 17.1.2.26(A) NMAC and 17.1.2.26(B) NMAC, on or before May 12, 2006.

E. The procedural dates and requirements provided herein are subject to further Order of the Commission or Hearing Examiner.

F. The Commission's Utility Division Procedures, 17.1.2 NMAC *et seq.*, shall apply to this case except as modified by Order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission.

G. Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath.

H. Any interested person may appear at the time and place of hearing and make written or oral comments pursuant to 17.1.2.26.F NMCA without becoming an Intervenor. Such comments will not be considered as evidence in this case.

I. Interested persons should contact the Commission for confirmation of the hearing date, time and place, since hearings are occasionally rescheduled.

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

ISSUED at Santa Fe, New Mexico, this **31st** day of March, 2006.

NEW MEXICO PUBLIC REGULATION COMMISSION



LEE W. HUFFMAN
Hearing Examiner

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF PUBLIC SERVICE)
COMPANY OF NEW MEXICO'S PETITION)
FOR DECLARATORY ORDER REGARDING)
THE PURCHASE OF RENEWABLE ENERGY)
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PUBLIC SERVICE COMPANY OF)
NEW MEXICO,)

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_____)**

Utility Case No. 05-00352-UT

NOTICE

Notice is hereby given that:

On August 31, 2005, Public Service Company of New Mexico ("PNM") filed with the New Mexico Public Regulation Commission ("NMPRC" or "Commission") a Petition for Declaratory Order Regarding the Purchase of Renewable Energy Certificates from Qualifying Facilities. PNM asked for the Commission's direction on certain issues relating to payments by public utilities to qualifying facilities ("QFs") for renewable energy certificates ("RECs") purchased separately from the associated energy.

The Commission issued an Order Docketing Case in this matter on December 13, 2005 ("Order"). In the Order, the Commission directed the Hearing Examiner to consider whether to broaden the scope of this case, as requested by Commission Staff, and whether to entertain related issues. The Order made El Paso Electric Company and Southwestern Public Service Company parties to the case. The Order also encouraged rural electric cooperatives providing service in New Mexico to participate in the case.

The Hearing Examiner conducted a pre-hearing conference on March 14, 2006 at the Commission's offices located at Marian Hall, 224 East Palace Avenue in Santa Fe, New Mexico, for the purpose of setting a procedural schedule and establishing the scope of this case. At the pre-hearing conference, the Hearing Examiner determined that he would consider the following issues in this docket:

1. Whether a public utility has discretion to acquire, or not to acquire, RECs from a QF from which it purchases renewable energy under NMPRC Rule 17.9.570 NMAC;

2. Whether it is reasonable and prudent for a public utility to pay value for RECs, whether or not acquired with the associated energy;

3. Whether renewable energy consumed on-site by a QF is energy "contracted for delivery" and thus usable to meet a utility's renewable portfolio standard;

4. Whether the Legislature has authorized the Commission to approve incentives to benefit existing owners of customer-owned renewable energy systems;

5. Whether there are any policy constraints the Commission should consider in approving any unbundling of RECs; and

6. Whether energy and RECs must be obtained by a utility in order for an energy purchase to be considered a purchase from a renewable QF and, if so, what is the avoided cost which utilities should pay for bundled energy and RECs?

Decisions made in this case will impact renewable energy policy in New Mexico and set parameters for transactions for the purchase of RECs from QFs by public utilities.

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

1. Any person who desires to intervene to become a party to this case must file a Motion for Leave to Intervene, pursuant to 17.1.2.26(A) NMAC and 17.1.2.26(B) NMAC, on or before May 12, 2006.

2. All parties must file direct testimony on or before June 30, 2006.

3. Any rebuttal testimony must be filed on or before July 21, 2006.

4. A public hearing will be conducted beginning at 10:00 a.m. on August 2, 2006, at the Commission's offices, Marian Hall, 224 East Palace Avenue, Santa Fe, New Mexico, for the purpose of hearing and receiving evidence, arguments and any other relevant matters in order to determine the appropriate resolution of the issues identified above.

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

Further information regarding this case may be obtained by contacting PNM or the Commission at the addresses and telephone numbers provided below. The Commission has assigned Case No. 05-00352-UT to this proceeding, and all inquiries or written comments concerning this matter should refer to that case number.

Any interested person may examine PNM's filing in this case together with any exhibits and related papers that may be filed in this case at PNM's office, Alvarado Square, Albuquerque, New Mexico 87158, telephone: (505) 241-2700, or at the Commission's offices, Marian Hall, 224 East Palace Avenue, Santa Fe, New Mexico 87501-2013, telephone: (505) 827-6940.

The Commission's Utility Division Procedures (Rule 17.1.2 NMAC) apply to this proceeding except as modified by order of the Commission or Hearing Examiner. A copy of the rules may be obtained from the offices of the Commission.

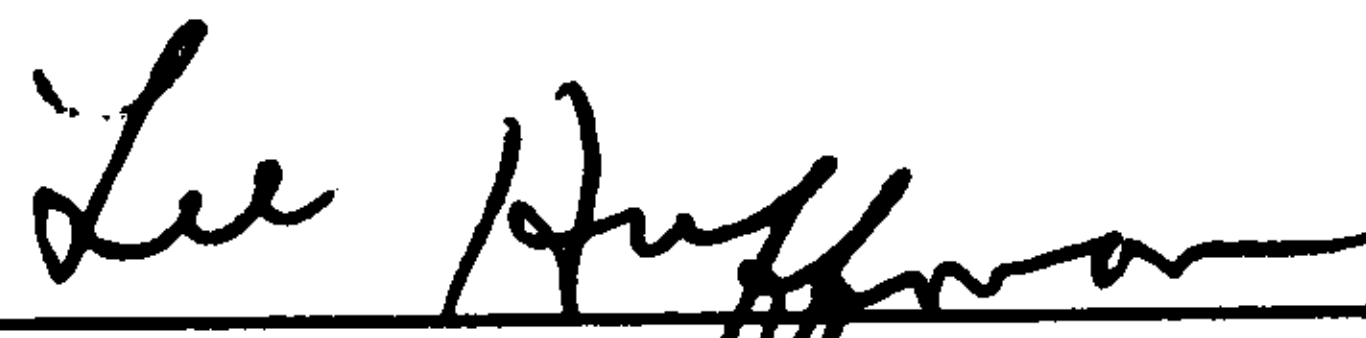
Any interested person may appear at the time of hearing and make a written or oral comment without becoming an intervener, but the comment will not be considered as evidence in this proceeding. Interested persons may also send written comments, which shall reference NMPRC Case No. 05-00352-UT, to the Commission at the address set out above.

Anyone filing pleadings or testimony will serve copies thereof on all parties of record and the Commission Staff by first class mail or hand-delivery and by e-mail. Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath.

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

ISSUED at Santa Fe, New Mexico this **31st**, day of March 2006.

NEW MEXICO PUBLIC REGULATION COMMISSION



LEE HUFFMAN
Hearing Examiner

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Case No. 05-00352-UT

PUBLIC SERVICE COMPANY OF)
NEW MEXICO,)

Petitioner.)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing **Procedural Order and Notice**, issued March 31, 2006, was mailed first class, postage pre-paid to the following:

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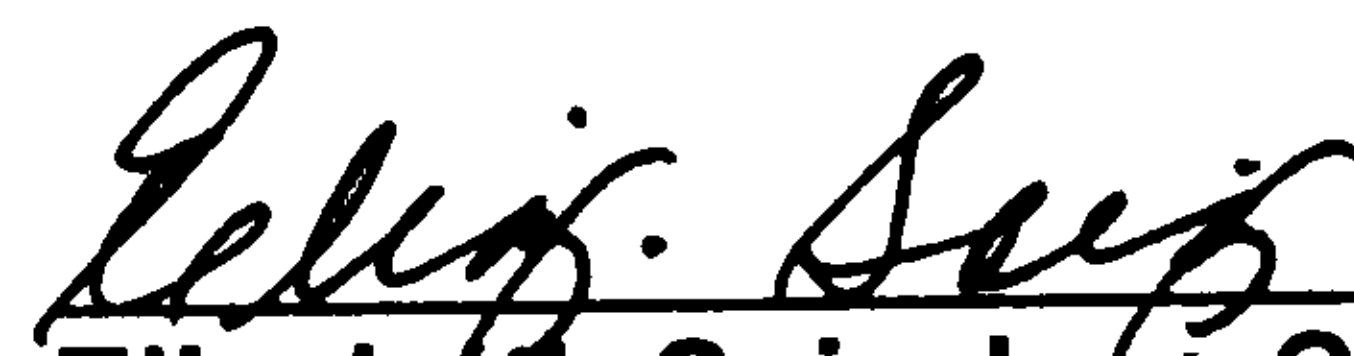
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Dated this 31st day of March, 2006.

NEW MEXICO PUBLIC REGULATION COMMISSION



Elizabeth Saiz, Law Clerk