

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF PUBLIC SERVICE COMPANY OF NEW)
MEXICO FOR APPROVAL TO ABANDON)
SAN JUAN GENERATING STATION UNITS)
2 AND 3, ISSUANCE OF CERTIFICATES)
OF PUBLIC CONVENIENCE AND)
NECESSITY FOR REPLACEMENT POWER)
RESOURCES, ISSUANCE OF ACCOUNTING)
ORDERS AND DETERMINATION OF)
RELATED RATEMAKING PRINCIPLES AND)
TREATMENT,)
)
**PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
)
Applicant)**
_____)**

Case No. 13-00390-UT

**NEW MEXICO ATTORNEY GENERAL’S LIMITED
EXCEPTION TO CERTIFICATION OF STIPULATION**

COMES NOW the New Mexico Attorney General (“Attorney General”), and pursuant to Rule 1.2.2.37(C) NMAC, hereby files this limited exception to the Certification of Stipulation issued by the Hearing Examiner in the above captioned case on April 8, 2015.

Introduction

The Hearing Examiner filed his Certification of Stipulation in this case on April 8, 2015. In his Certification, the Hearing Examiner recommended a number of material modifications to the October 1, 2014 Stipulation. The Attorney General supports the Commission acting in the interest of ratepayers and will continue to support an agreement that reduces the costs to ratepayers and gives certainty to the acquisition of affordable, reliable energy for New Mexico. The Attorney General’s concern with the lack of certainty around the San Juan Generating Station (SJGS) was the original impetus for the additional recommended modifications Attorney

General witness Crane made at the hearing. The Hearing Examiner's recommendation regarding the treatment of the CCN in SJGS Unit 4 appears to have been based upon similar concerns.

The Attorney General remains a signatory to the Stipulation that was filed on October 1, 2014 because it significantly reduces PNM's reliance on coal and assures New Mexican's affordable, reliable energy.

Attorney General's Position

It was the Attorney General's position at the hearing, and it remains the Attorney General's position, that PNM should be granted a conditional CCN for the additional 132 MW in SJGS unit 4. The CCN should be conditioned upon PNM filing an acceptable restructuring agreement for SJGS by May 1, 2015 and upon PNM filing an acceptable fuel supply agreement for SJGS. Conditions on the CCN, rather than a flat refusal of a CCN, allow PNM to conclude any outstanding negotiations and give the Commission assurance of PNM's ability to maintain reliable service at just and reasonable rates.

Should the Commission place conditions on a CCN for the additional capacity in SJGS unit 4, a hard deadline for meeting those conditions should be included. If PNM fails to meet these conditions, the CCN should be revoked and PNM should have to proceed with another plan to meet the RSIP and provide clean, reliable and affordable service to New Mexico.

Importantly, even with the CCN for 132 MW in SJGS unit 4, approval of the stipulation results in PNM reducing its coal reliance by 286 MW.

Conclusion

WHEREFORE, the Attorney General takes this limited exception to the Hearing Examiner's Certification of Stipulation and requests the Commission grant a conditional CCN for SJGS Unit 4.

Respectfully Submitted,

OFFICE OF THE NEW MEXICO ATTORNEY GENERAL

**HECTOR H. BALDERAS
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DATED this 20th day of April, 2015.

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Case No. 13-00390-UT

**PUBLIC SERVICE COMPANY OF NEW)
MEXICO,)
Applicant.)**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the **NEW MEXICO ATTORNEY GENERAL'S LIMITED EXCEPTION TO CERTIFICATION OF STIPULATION**, filed on the 20th day of April, 2015, was electronically served on the following parties:

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