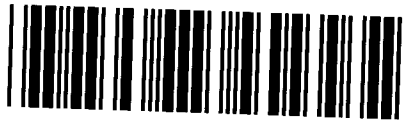




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APPLICATION OF TEXAS-NEW  
MEXICO POWER COMPANY FOR  
APPROVAL OF AN ENERGY  
EFFICIENCY COST RECOVERY  
FACTOR

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§

BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS  
FILING CLERK

**CITIES SERVED BY  
TEXAS-NEW MEXICO POWER COMPANY'S  
LIST OF ISSUES**

COMES NOW, the Cities Served by Texas-New Mexico Power Company ("Cities") and files this List of Issues pursuant to the Order of Referral dated June 2, 2014. Cities would respectfully show as follows:

**I. INTRODUCTION**

Cities present this list of issues based solely on a preliminary analysis of Texas-New Mexico Power Company's ("TNMP" or "Company") application for approval of an Energy Efficiency Cost Recovery Factor ("EECRF"). Cities anticipate that a more detailed review of the filing may result in the identification of additional issues. Accordingly, Cities reserve the right under the Administrative Procedure Act<sup>1</sup> to submit evidence and argument on each and every issue raised by TNMP's filing, regardless of whether or not the issues are specifically identified in this pleading.

**II. LIST OF ISSUES**

Cities intend to investigate the following issues:

1. Whether TNMP properly determined the basis for the demand and energy goals applicable to 2015 consistent with P.U.C. SUBST. R. 25.181.

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<sup>1</sup> Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.051(2) (West 2008 & Supp. 2013) ("APA").

2. Whether TNMP's program incentive costs are reasonable and necessary and comply with the Public Utility Regulatory Act ("PURA")<sup>2</sup> and P.U.C. SUBST. R. 25.181.
3. Whether any affiliate costs billed to TNMP are in compliance with PURA § 36.058.
4. Whether TNMP's proposed energy efficiency programs comply with P.U.C. SUBST. R. 25.181.
5. Whether the costs for administration and research and development comply with the spending caps in P.U.C. SUBST. R. 25.181.
6. Whether TNMP's over-recovery calculation is consistent with P.U.C. SUBST. R. 25.181 and PURA § 39.905 and whether the allocation of that over-recovery to customer classes is reasonable.
7. Whether the causes of TNMP's over-recovery are reasonable.
8. Whether TNMP's proposed billing units for 2015 are reasonable.
9. Whether TNMP's evaluation, management, and verification ("EM&V") expenses forecasted for the 2014 program year are reasonable and consistent with P.U.C. SUBST. R. 25.181.
10. Whether the costs recovered by TNMP through its EECRF complied with PURA § 39.905 and P.U.C. SUBST. R. 25.181. Were the costs reasonable and necessary to reduce energy and demand costs?
11. Whether the methodology to assign or allocate energy efficiency program costs is reasonable and consistent with P.U.C. SUBST. R. 25.181.

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<sup>2</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.017 (West 2007 & Supp. 2013) ("PURA").

12. Whether the EECRF for each rate class is consistent with P.U.C. SUBST. R. 25.181(f).

13. Whether the incentive payments for each customer class comply with P.U.C. SUBST. R. 25.181(g).

14. Whether TNMP's calculation of a performance bonus is reasonable and consistent with P.U.C. SUBST. R. 25.181.

15. Whether TNMP's projected expenditures for administrative costs and research and development costs are reasonable and necessary and comply with PURA and Public Utility Commission ("PUC" or "Commission") rules.

16. Whether TNMP's proposed EECRF complies with the rate caps required by P.U.C. SUBST. R. 25.181.

17. Whether Cities' rate case expenses incurred in Docket No. 41496,<sup>3</sup> were reasonable.

### III. CONCLUSION

WHEREFORE, PREMISES CONSIDERED, Cities request that these issues be included in any preliminary order issued by the PUC in this case. Further, Cities request that the preliminary order include language, historically included in PUC preliminary orders, that the list of issues is preliminary and parties are not precluded from identification and presentation of other issues relevant to TNMP's application.

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<sup>3</sup> *Application of Texas-New Mexico Power Company for Approval of an Energy Efficiency Cost Recovery Factor*, Docket No. 41496.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE  
& TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900

Austin, Texas 78701

(512) 322-5800

(512) 472-0532 (Fax)

cbrewster@lglawfirm.com

ekeiffer@lglawfirm.com

CHRISTOPHER L. BREWSTER

State Bar No. 24043570



EILEEN McPHEE KEIFFER

State Bar No. 24060273

ATTORNEYS FOR CITIES SERVED BY  
TEXAS-NEW MEXICO POWER COMPANY

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document was transmitted by facsimile, e-mail and/or regular, first class mail on this 9th day of June, 2014, to the parties of record.



EILEEN McPHEE KEIFFER