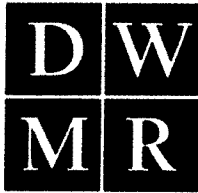


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2015 MAY -1 PM 3:44
PUBLIC UTILITY COMMISSION
MAY 1, 2015 FILING CLERK

RE: *Docket 44677 - Application of El Paso Electric Company for Approval to Revise its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Cost Caps*

Correction of Date in Notice

Dear Ms. Clark:

We have discovered that there is a small, self-evident error in the Proposed Notice, which is Attachment B to the Petition. The date stated in the first line as the date the Application was filed is incorrect. The Proposed Notice, as filed, mistakenly states the filing was made on May 1, 2016 rather than on May 1, 2015. This is to advise you and any interested persons that the date was corrected prior to serving notice. Attached is the corrected Attachment B, Proposed Notice.

Yours very truly,

Bret J. Slocum

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**NOTICE OF APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL
TO REVISE ITS ENERGY EFFICIENCY COST RECOVERY FACTOR AND
REQUEST TO ESTABLISH REVISED COST CAP**

On May 1, 2015, El Paso Electric Company (EPE or the Company) submitted to the Public Utility Commission of Texas (PUCT) its Application for Approval to Revise Its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Cost Cap (Application) as permitted under Section 39.905(b) of the Public Utility Regulatory Act (PURA) and under PUCT Substantive Rule 25.181(f) relating to recovery of costs for energy efficiency programs. The filing was assigned Docket No. 44677 by the PUCT. EPE requested that its revised energy efficiency cost recovery factor (EECRF) become effective beginning with the first billing cycle of its January 2016 billing month, which begins on January 1, 2016. All EPE retail electric customers in its Texas service area that fall within the classes subject to the EECRF will be affected by approval of the Company's Application.

EPE's proposed EECRF rates for commercial customers in aggregate will exceed the cost cap prescribed by Rule 25.181(f)(7). Therefore, pursuant to P.U.C. SUBST. R. 25.181(f)(2), EPE requested that the Commission find good cause to revise the Company's cost cap to permit the Company to recover energy efficiency costs necessary to achieve the energy efficiency goal.

In its Application, EPE requested to recover through its 2016 EECRF approximately \$5,505,457 in energy efficiency costs, reflecting the following five components:

- 1) \$4,384,650 in projected energy efficiency program costs for 2016;
- 2) a \$1,012,131 performance bonus based on the Company's 2014 energy efficiency program performance;
- 3) EPE's prior year EECRF proceeding expenses of \$181,470;
- 4) a \$106,636 true-up adjustment representing EPE's net over-recovery of 2014 program costs actually incurred; and,
- 5) Evaluation, Measure and Verification costs of \$33,842.

Under EPE's EECRF request, based on EPE's current base rates and fixed fuel factor, a residential customer using 600 kWh of electricity per month would be charged \$0.60 per month, which is approximately 11 cents lower on average per month than the EECRF approved in EPE's last EECRF proceeding, PUCT Docket No. 42449. The Company's requested EECRF rates are as follows:

<u>Customer Class</u>	<u>EECRF</u>
Residential Service Rate	\$ 0.000998
Small Commercial Service Rate	\$ 0.001481
Outdoor Recreational Lighting Service Rate	(\$ 0.000409)
Governmental Street Lighting and Signal Service Rate	\$ 0.007801
Municipal Pumping Service Rate	(\$ 0.000834)
Time-of-Use Municipal Pumping Service	(\$ 0.000834)
Water Heating	(\$ 0.000493)
Irrigation Service Rate	(\$ 0.000808)
General Service Rate	\$ 0.001163
Large Power Service Rate (excludes transmission)	\$ 0.001205
Cotton Gin Service Rate	\$ 0.002224
City and County Service Rate	\$ 0.001433
University Service Rate	\$ 0.001977
Maintenance Power Service for Cogeneration and Small Power Production Facilities	(\$ 0.002680)
Backup Power Service for Cogeneration and Small Power Production Facilities	(\$ 0.002680)

Persons with questions or who want more information about EPE's application may contact the Company at 100 N. Stanton St., El Paso, Texas 79901, or call (915) 543-4354. A complete copy of the application is available for inspection at the address listed above. The Commission will review EPE's Application, establish an intervention date for interested persons, and determine whether EPE's Application should be approved. The Commission's proceeding to review EPE's Application has been assigned Docket No. 44677. Persons who wish to intervene in or comment upon these proceedings, or obtain further information, should contact the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or call the Commission's Office of Consumer Protection at (512) 936-7120 or (888) 782-8477. Hearing and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136 or use Relay Texas (toll-free) 1-800-735-2989. All communications should refer to Docket No. 44677.