



Control Number: 44778



Item Number: 11

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APPLICATION OF TEXAS-NEW  
MEXICO POWER COMPANY TO  
ADJUST ITS ENERGY EFFICIENCY  
COST RECOVERY FACTOR

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2015 JUN -8 11:11:06  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
FILING CLERK

### COMMISSION STAFF'S PROPOSED LIST OF ISSUES

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this Proposed List of Issues and would show the following:

#### I. Background

On May 29, 2015, Texas-New Mexico Power Company (TNMP) filed an application to adjust its energy-efficiency cost-recovery factor (EECRF) for program year 2016 pursuant to § 39.905 of the Public Utility Regulatory Act (PURA)<sup>1</sup> and 16 Tex. Admin. Code § 25.181(f) (TAC).

On June 1, 2015, this proceeding was referred to the State Office of Administrative Hearings (SOAH) and the Order of Referral required Staff to file with the Commission a list of issues to be addressed in this docket by June 8, 2015. Therefore, this List of Issues is timely filed.

#### II. List of Issues

Staff has identified the following issues that should be addressed in this proceeding:

##### Application

1. Does TNMP's Energy Efficiency Cost Recovery Factor (EECRF) application comply with 16 TAC § 25.181(f) and contain the testimony and schedules required by 16 TAC § 25.181(f)(10) and address the factors required by 16 TAC § 25.181(f)(11)?

##### 2016 Program Year

2. What are TNMP's appropriate demand reduction goal and energy savings goal for program year 2016 consistent with 16 TAC § 25.181(e)?

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<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (West 2007 & Supp. 2014) (PURA).

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- A. Has TNMP requested a lower demand reduction goal under 16 TAC § 25.181(e)(2)? If so, has TNMP demonstrated that compliance with the goal specified in 16 TAC § 25.181(e)(1) is not reasonably possible and demonstrated that good cause supports the lower demand reduction goal proposed by TNMP?
  - B. Has TNMP received any identification notices under 16 TAC § 25.181(w)? If so, has the TNMP's demand reduction goal for program year 2016 been properly adjusted to remove any load that is lost as a result of identification notices submitted to TNMP under that rule?
3. What is the appropriate amount of projected energy-efficiency-program costs to be recovered through the TNMP's 2016 EECRF?
  - A. Are these costs reasonable estimates of the costs necessary to provide energy-efficiency programs and to meet TNMP's goals under 16 TAC § 25.181?
  - B. Does TNMP currently recover any energy-efficiency costs in its base rates? If so, what is the amount of projected program costs in excess of revenues collected through base rates?
  - C. Are the projected costs of administration and costs of research and development in compliance with the administrative spending caps in 16 TAC § 25.181(i)? If not, has TNMP requested an exception to those caps under 16 TAC § 25.181(e)(2)? If so, has TNMP demonstrated that compliance with the administrative spending cap is not reasonably possible and that good cause supports the higher administrative spending cap proposed by TNMP?
4. What are the EM&V costs assigned to TNMP for program years 2015 and 2016, and have any of these costs already been recovered in a prior EECRF proceeding?<sup>2</sup>

Program Year 2014 and 2014 EECRF proceeding

5. Did the costs recovered by TNMP through its EECRF for program year 2014 comply with PURA § 39.905 and 16 TAC § 25.181, and were the costs reasonable and necessary to reduce energy and demand costs?

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<sup>2</sup> 16 TAC § 25.181(q)(10).

- A. Were the actual costs of administration and costs of research and development for program year 2014 in compliance with the administrative spending caps in 16 TAC § 25.181(i) or higher spending caps otherwise established by the Commission? If otherwise established by the Commission, in which docket were the higher spending caps established?
  - B. Did any costs for program year 2014 result from payments to an affiliate? If so, do those costs meet the requirements for affiliate expenses in PURA § 36.058?
  - C. What are the reasonable and necessary utility rate-case expenses for the TNMP's immediately previous EECRF proceeding?
  - D. What are the reasonable and necessary municipality rate-case expenses for the TNMP's immediately previous EECRF proceeding?
6. For each EECRF rate class, what is the appropriate amount, if any, of under- or over-recovered EECRF costs consistent with 16 TAC § 25.181 for program year 2014?
- A. Did TNMP recover any of its energy-efficiency costs through base rates for program year 2014? If so, what is the actual amount of energy-efficiency revenues collected through base rates consistent with 16 TAC § 25.181(f)(2)?
  - B. What was the actual revenue collected through the TNMP's EECRF for program year 2014?
  - C. What were the actual costs that comply with 16 TAC § 25.181(f)(12) of TNMP's energy-efficiency programs for program year 2014?

Performance Bonus

7. What were TNMP's demand and energy reduction goals for program year 2014? If the Commission granted an exception for a lower demand goal, in what docket was the lower goal established?
8. What is the appropriate energy-efficiency performance bonus, if any, consistent with 16 TAC § 25.181(h) for program year 2014?
- A. Did TNMP exceed its demand and energy reduction goals for program year 2014? If so, by what amounts?

- B. What are the net benefits of TNMP's energy-efficiency program for program year 2014?
- C. Did TNMP exceed the EECRF cost caps in 16 TAC § 25.181(f)(7)?
- D. Did the Commission establish a lower demand reduction goal, higher administrative spending cap, or higher EECRF cost cap for TNMP for program year 2014? If so, should the Commission reduce TNMP's performance bonus?

EECRF Design

- 9. What are the appropriate 2016 EECRFs for each rate class consistent with 16 TAC § 25.181(f)?
  - A. What is the total cost that should be recovered through TNMP's 2016 EECRFs?
  - B. What are the appropriate EECRF rate classes for TNMP's 2016 EECRFs?
  - C. Has TNMP requested a good-cause exception under 16 TAC § 25.181(f)(2) to combine one or more rate classes? If so, for each rate class that is proposed to be combined, does it have fewer than 20 customers, is it similar to the other rate classes, and does it receive services under the same energy-efficiency programs as the other rate classes?
  - D. Are the costs assigned or allocated to rate classes reasonable and consistent with 16 TAC § 25.181?
    - i. Are TNMP's program costs directly assigned to each EECRF rate class that receives services under the programs to the maximum extent possible?
    - ii. Is any bonus allocated consistent with 16 TAC § 25.181(h)(6)?
    - iii. Are administrative costs, including rate-case expenses, and research and development costs allocated consistent with 16 TAC § 25.181(i)?
    - iv. How are the EM&V costs assigned to the rate classes, and is the assignment consistent with PURA § 39.905 and 16 TAC § 25.181?
    - v. Are any under- or over-recovered EECRF costs allocated to the rate classes consistent with 16 TAC § 25.181(f)(2)?
  - E. Does TNMP propose an EECRF for any commercial rate classes as a demand charge? If so, for each such rate class, do the base rates for that class contain demand charges? For

each such rate class, should the EECRF for that rate class be an energy charge or a demand charge?<sup>3</sup>

- F. What is the appropriate estimate of billing determinants for the 2016 program?
- G. What are the appropriate calculated or estimated system losses and line losses that should be used in calculating the 2016 EECRF charges?
- 10. Do the total 2016 EECRF costs, excluding EM&V costs and municipal rate-case expenses, exceed the EECRF cost caps prescribed in 16 TAC § 25.181(f)(7)? If so, did TNMP request an exception to the EECRF cost caps pursuant to 16 TAC § 25.181(e)(2) and, if so, has TNMP demonstrated that compliance with the EECRF cost caps is not reasonably possible and demonstrated that good cause supports the higher EECRF cost caps?
- 11. Do the incentive payments for each customer class in program year 2014 comply with 16 TAC § 25.181(g)?

Tariff

- 12. What tariff schedule should be adopted for TNMP in compliance with 16 TAC § 25.181?

**III. Issues not to be Addressed**

Staff has not identified any issues not to be addressed.

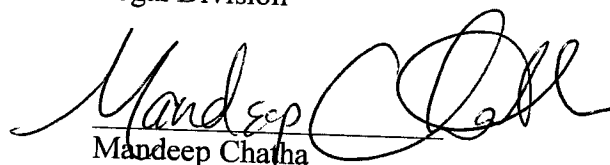
**Dated: June 8, 2015**

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<sup>3</sup> *Application of Oncor Electric Delivery Company, LLC for 2013 Energy Efficiency Cost Recovery Factor, Docket No. 40361* at 110 (Aug. 29, 2012) (“For rate classes that are billed on a demand basis, whether to design the EECRF to provide for an energy or demand charge will be determined in the EECRF proceedings based on the particular relevant facts.”).

Respectfully Submitted,  
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Legal Division

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Managing Attorney  
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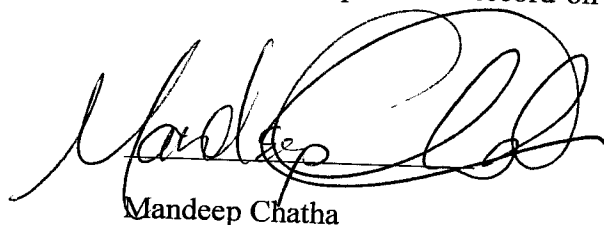


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**PUC DOCKET NO. 44778**  
**SOAH DOCKET NO. 473-15-4091**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on June 8, 2015 in accordance with 16 TAC § 22.74.



Mandeep Chatha