



Control Number: 49122



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**DeAnn T. Walker**  
Chairman  
**Arthur C. D'Andrea**  
Commissioner  
**Shelly Botkin**  
Commissioner  
**John Paul Urban**  
Executive Director



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Governor

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**Public Utility Commission of Texas**

PUBLIC UTILITY COMMISSION  
FILING CLERK

TO: DeAnn T. Walker, Chairman  
Arthur C. D'Andrea, Commissioner  
Shelly Botkin, Commissioner

All Parties of Record

FROM: Mayson Pearson *MP*  
Administrative Law Judge

RE: **Open Meeting of June 27, 2019**  
**Docket No. 49122** – *Compliance Filing of Texas-New Mexico Power Company in Accordance with the Final Order in Docket No. 48401 Regarding Hurricane Harvey Rider*

DATE: May 31, 2019

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission will consider this docket at an open meeting presently scheduled to begin at 9:30 a.m. on Thursday, June 27, 2019, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties shall file corrections or exceptions to the Proposed Order on or before Wednesday, June 19, 2019.

**If there are no corrections or exceptions, no response is necessary.**

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**DOCKET NO. 49122**

<b>COMPLIANCE FILING OF</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>TEXAS-NEW MEXICO POWER</b>	<b>§</b>	
<b>COMPANY IN ACCORDANCE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>WITH THE FINAL ORDER IN</b>	<b>§</b>	
<b>DOCKET NO. 48401 REGARDING</b>	<b>§</b>	
<b>HURRICANE HARVEY RIDER</b>	<b>§</b>	

**PROPOSED ORDER**

This Order addresses the compliance filing of Texas-New Mexico Power Company to determine final amounts for a hurricane cost recovery factor (HCRF) rider, which was authorized in Docket No. 48401.<sup>1</sup> TNMP filed a stipulation and settlement agreement (agreement) that resolves certain issues between the parties to this proceeding. The Commission approves TNMP's final amounts for a HCRF rider, as modified by the agreement, to the extent provided in this Order.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. TNMP is a Texas corporation and a wholly-owned subsidiary of PNM Resources, Inc.
2. TNMP is a domestic for-profit corporation registered with the Texas secretary of state under file number 19241500.
3. TNMP provides electric transmission and distribution services in Texas.

**Application**

4. On January 17, 2019, TNMP filed an application in this docket related to its HCRF rider as required by the final order entered in Docket No. 48401.
5. In its application, TNMP sought approval of its calculation of the HCRF rider as follows:
  - (a) the final amount of carrying charges in the amount of \$754,044, through

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<sup>1</sup> *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 48401, Order (Dec. 20, 2018).

December 31, 2018; (b) the final amount of regulatory liability for the difference in revenues related to the Tax Cuts and Jobs Act (TCJA) in the amount of \$(5,425,868), through December 31, 2018, which is \$(1,661,844) more than identified in Docket No. 48401; and (c) the final HCRF rider amounts, by class, as set forth in attachment 1 of TNMP's application.

6. In Order No. 2 issued on February 20, 2019, the ALJ found TNMP's application sufficient.

#### Notice

7. On January 17, 2019, TNMP provided notice and a copy of the compliance filing, by facsimile and electronic mail, to all parties to Docket No. 48401, which was TNMP's last completed base-rate case.
8. On February 20, 2019, TNMP filed the affidavit of Pamela Collins, paralegal at the law firm Jackson Walker, L.L.P., representing TNMP, who attested that notice was provided to all persons identified in the attachments to the affidavit.

#### Evidentiary Record

9. In Order No. 6 issued on May 28, 2019, the ALJ admitted the following evidence into the record: (a) TNMP's compliance filing and attachments filed on January 17, 2019; (b) TNMP's response to Commission Staff's first request for information filed on February 12, 2019; (c) TNMP's proof of notice filed on February 20, 2019; (d) the agreement and attachments filed on May 15, 2019; and (e) Commission Staff's direct testimony of Jorge Ordonez in support of the agreement filed on May 15, 2019.

#### Agreement

10. On May 15, 2019, TNMP and Commission Staff filed the agreement, which sets the HCRF rider amount at \$1,933,908, to be spread among the different rate classes defined in exhibit 1 to the agreement.
11. TNMP and Commission Staff agree that the \$1,933,908 amount is the result of adjusting total system restoration costs of \$6, 639,732 approved in Docket No. 48401 by: (a) adding the final amount of carrying charges, in the amount of \$720,044, through December 31, 2018; and (b) subtracting the final amount of regulatory liability for the difference in revenues related to the TCJA, in the amount of \$(5,425,868), through

December 18, 2018, which is \$(1,661,844) more than identified in the final order in Docket No. 48401.

12. On May 15, 2019, Commission Staff filed the direct testimony of Jorge Ordonez in support of the agreement.

**Informal Disposition**

13. More than 15 days have passed since the completion of notice provided in this proceeding.
14. No person filed a protest or motion to intervene.
15. TNMP and Commission Staff are the only parties to this proceeding.
16. No hearing was requested and no hearing is needed.
17. Commission Staff recommended approval of the application.
18. This decision is not adverse to any party.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. TNMP is a public utility as that term is defined in PURA<sup>2</sup> § 11.004(1) and an electric utility as that term is defined in PURA § 31.002(6).
2. The Commission has jurisdiction over the application under PURA §§ 14.001, 32.001 and 36.001.
3. TNMP provided notice of the compliance filing in accordance with 16 Texas Administrative Code (TAC) § 22.55.
4. The Commission processed this docket in accordance with the requirements of PURA, the Administrative Procedure Act,<sup>3</sup> and Commission rules.
5. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

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<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

<sup>3</sup> Administrative Procedure Act, Tex. Gov't. Code §§ 2001.001–.902.

### III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves the calculation of the HCRF rider set forth in exhibit 1 to the settlement agreement filed on May 15, 2019, which specifies: (a) the final amount of carrying charges, in the amount of \$720,044, through December 31, 2018; (b) the final amount of the regulatory liability for the difference in revenues related to the TCJA, in the amount of \$(5,425,868), through December 31, 2018, which is \$(1,661,844) more than identified in the final order in Docket No. 48401; and (c) the final HCRF rider amounts by class set forth in exhibit 1 to the settlement agreement.
2. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
3. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the \_\_\_\_\_ day of June 2019.

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**DEANN T. WALKER, CHAIRMAN**

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**ARTHUR C. D'ANDREA, COMMISSIONER**

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**SHELLY BOTKIN, COMMISSIONER**