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**SOAH DOCKET NO. 473-19-5244**  
**PUC DOCKET NO. 49586**

*Application of Texas-New Mexico Power to Adjust Energy  
Efficiency Cost Recovery Factor*

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**AFFIDAVIT OF STEPHEN MENDOZA**

**THE STATE OF TEXAS**

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**COUNTY OF TRAVIS**

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On this day, Stephen Mendoza personally appeared before me, the undersigned authority, and stated the following under oath:

1. My name is Stephen Mendoza. I am at least twenty-one (21) years of age, of sound mind, and I am authorized to make the statements in this affidavit. I have personal knowledge of the statements in this affidavit, and the statements in this affidavit are true and correct to the best of my knowledge.
2. I am currently employed as a Senior Rate Analyst in the Tariff and Rate Analysis Section of the Rate Regulation Division of the Public Utility Commission of Texas.
3. On May 31, 2019, Texas-New Mexico Power Company (TNMP) filed an Application requesting approval of its Energy Efficiency Cost Recovery Factor (EECRF) for the 2020 year (2020 EECRF Application).<sup>1</sup> TNMP filed its Application pursuant to the Public Utility Regulatory Act, Tex. Util. Code Ann. § 39.905 (West 2016) (PURA) and 16 Texas Administrative Code § 25.182(d) (TAC).
4. On August 30, 2019, TNMP filed a Stipulation and Settlement Agreement modifying its EECRF Application. Accordingly, TNMP seeks approval of its 2020 EECRF in the amount of \$5,853,453. This amount is comprised of the following:
  - a. Efficiency expenses of \$5,343,155 forecasted for the 2020 program year;
  - b. Less \$352,606 for the over-recovery of energy efficiency costs for Program Year 2018 energy efficiency costs (includes interest charges of \$10,434);
  - c. Plus a \$796,166 energy efficiency performance bonus based on TNMP's energy efficiency achievements in 2018;
  - d. Plus \$58,323 in forecasted Evaluation, Measurement and Verification expenses for 2020;

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<sup>1</sup> *Application of Texas New Mexico Power for Approval to Adjust the Energy Efficiency Cost Recovery Factor*, Docket No. 49586 (May 31, 2019).

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- e. Plus \$8,415 for 2018 municipal rate case expenses.
5. My review of TNMP's 2020 EECRF application included an examination of the assignment and allocation of the various EECRF components to the rate classes, as well as the mathematical calculation of the EECRF rates.
6. Pursuant to the terms of the Stipulation and Settlement Agreement between TNMP, Staff, and the Cities Served by Texas-New Mexico Power Company (collectively the "Signatories"), the Signatories have agreed that the 2020 EECRF recovery requested by TNMP in its Application should be approved.
7. TNMP's proposed rate class factors consistent with the terms of the Stipulation and Settlement Agreement, are as follows:

| <b><u>Rate Class</u></b> | <b><u>EECRF Charge</u></b> |
|--------------------------|----------------------------|
| Residential Service      | \$0.001172 per kWh         |
| Secondary Service < 5 kW | \$0.0016760 per kWh        |
| Secondary Service > 5 kW | \$0.000806 per kWh         |
| Primary Service          | \$0.000160 per kWh         |
| Lighting Service         | \$0.000041 per kWh         |

8. Based upon my review of TNMP's Application and accompanying work papers, I have determined that TNMP's proposed assignments and allocations of the various EECRF components to the rate classes are reasonable and consistent with 16 TAC § 25.182, and that the rates have been calculated correctly.
9. TNMP's proposed tariff schedule, as filed and included on Page 9 in the Stipulation and Settlement Agreement, is reasonable and complies with 16 TAC § 25.182.

  
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Stephen Mendoza  
Senior Rate Analyst  
Tariff and Rate Analysis  
Rate Regulation Division  
Public Utility Commission of Texas

Subscribed and sworn to me this 3 day of September, 2019

  
\_\_\_\_\_  
Name:  
Notary Public in and for the State of Texas

My commission expires:

