

Control Number: 49586



Item Number: 45

Addendum StartPage: 0

DeAnn T. Walker Chairman

Arthur C. D'Andrea Commissioner



Shelly Botkin Commissioner

John Paul Urban Executive Director

Public Utility Commission of Texas

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

All Parties of Record

FROM: Office of Policy & Docket Management

- RE: Open Meeting of December 13, 2019 PUC Docket No. 49586 SOAH Docket No. 473-19-5244 – Application of Texas-New Mexico Power Company to Adjust its Energy Efficiency Cost Recovery Factor
- DATE: October 25, 2019

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission will consider this docket at an open meeting currently scheduled to begin at 9:30 a.m. on Friday, December 13, 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, November 13, 2019.

On June 3, 2019, the Commission referred this proceeding to the State Office of Administrative Hearings. Subsequently, the docket was returned to the Commission.

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

q \cadm\orders\soah settled\49000\49586pomemo docx

Printed on recycled paper

An Equal Opportunity Employer

00000001

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

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

PROPOSED ORDER

\$\$ \$\$ \$\$ \$\$ \$\$ \$\$

This Order addresses the application of Texas-New Mexico Power Company (TNMP) to adjust its energy-efficiency cost recovery factor (EECRF). TNMP filed a unanimous agreement that resolves certain issues between the parties in this proceeding. The Commission approves TNMP's EECRF, 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 PURA § 31.002(6) and 16 TAC § 25.181(b)

- 1. TNMP is a Texas corporation and a wholly owned subsidiary of PNM Resources, Inc.
- 2. TNMP provides electric transmission, and distribution services in Texas.

Application 16 TAC §§ 25.182(d)(8), (d)(10)(A)-(M), and (d)(11)(A)-(J)

- 3. On May 31, 2019, TNMP filed an application to adjust its EECRF effective March 1, 2020.
- 4. No party objected to the sufficiency of the application.
- 5. In its application, TNMP sought Commission approval to adjust its EECRF to recover \$5,854,754 during program year 2020, which included the following:
 - (a) TNMP's forecasted energy-efficiency costs of \$5,287,551 in program year 2020 (including a deduction of \$55,604 to remove EECRF expenses from TNMP's administrative expenses);
 - (b) Projected evaluation, measurement, and verification (EM&V) expenses for the evaluation of program year 2019 in the amount of \$58,323;
 - (c) An adjustment of \$351,306 for TNMP's net over-recovery, including interest, of program year 2018 energy-efficiency costs;

- (d) TNMP's rate case expenses of \$55,604;
- (e) Municipal rate case expenses of \$8,415; and
- (f) A performance bonus of \$796,166.

Notice 16 TAC <u>88</u> 22 55, 25 182(d)(13), (14)

- 6. On May 31, 2019, TNMP provided notice via facsimile transmission or United States Postal Service certified mail to the following: each party that participated in TNMP's most recently completed base-rate case, Docket No. 48401;¹ each party that participated in TNMP's most recently completed EECRF docket, Docket No. 48404;² all retail electric providers that are authorized by the Commission to provide service in TNMP's service area at the time the EECRF application was filed, and the state agency that administers the federal weatherization program, which is the Texas Department of Housing and Community Affairs. In an affidavit filed by TNMP on June 4, 2019, Pamela Collins, a paralegal at the law firm Jackson Walker, L.L.P. who represents TNMP in this matter, attested that notice had been provided as described in this finding of fact.
- 7. No party objected to the adequacy of notice.

Intervenors and Intervenor Alignment 16 TAC § 22.103-22 105

- 8. Commission Staff participated in this docket.
- 9. In Order No. 1 issued on October 22, 2019, the Commission administrative law judge (ALJ) granted intervention by the Cities served by Texas-New Mexico Power Company.

Statements of Position and Pre-filed Testimony 16 TAC §§ 22.124 and 22 225

- On May 31, 2019, TNMP filed the direct testimonies and exhibits of Stefani M. Case, TNMP's energy-efficiency manager for regulatory policy and case management; Stacy R. Whitehurst, TNMP's vice president of regulatory affairs; and Michael S. Seamster, associate general counsel for TNMP.
- 11. On July 19, 2019, Cities filed the direct testimony and exhibits of Karl J. Nalepa.

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

² Application of Texas-New Mexico Power Company to Adjust its Energy Efficiency Cost Recovery Factor, Docket No. 48404, Order (Oct. 16, 2018).

- On August 30, 2019 Commission Staff filed the affidavits of Alicia Maloy, Stephen Mendoza, and Joe Luna in support of the agreement.
- 13. On September 6, 2019, Commission Staff filed the amended affidavit of Joe Luna in support of the agreement.

Referral to SOAH for Hearing 16 TAC 88 22.121 and 25.182(d)(9)

- 14. On June 3, 2019, the Commission referred this docket to State Office of Administrative Hearings (SOAH).
- 15. On June 12, 2019, Commission Staff requested a hearing on the merits.
- 16. On June 27, 2019, the Commission issued a preliminary order for this docket, which included a list of issues to be addressed in this proceeding.
- 17. In SOAH Order No. 2 issued on August 6, 2019, the SOAH ALJ adopted the parties' agreed proposed procedural schedule that set a hearing on the merits at SOAH's hearing facility in Austin, Texas on August 16, 2019, to last for one day.
- On August 30, 2019, TNMP, Cities, and Commission Staff filed a unanimous agreement resolving certain issues between them.
- In SOAH Order No. 3 issued on September 9, 2019, the SOAH ALJ dismissed the case from SOAH's docket and remanded it to the Commission.

Evidentiary Record

20. In SOAH Order No. 3 issued on September 9, 2019, the SOAH ALJ admitted the following into the evidentiary record: (a) TNMP's application and attachments filed on May 31, 2019; (b) the direct testimonies with exhibits of Stacy R. Whitehurst, Stefani M. Case, and Michael S. Seamster filed on May 31, 2019; (c) TNMP's affidavit of service filed on June 4, 2019; (d) TNMP's responses to Commission Staff's first request for information filed on June 21, 2019; (e) TNMP's responses to Cities' first request for information filed on July 8, 2019; (f) TNMP's supplemental responses to Cities' first request for cities' first request for information filed on July 16, 2019; (g) TNMP's supplemental responses to Cities' first request for cities' first request for information filed on July 16, 2019; (g) TNMP's supplemental responses to Cities' direct testimony and exhibits of Karl J. Nalepa, including the affidavit of Jamie L. Mauldin with Cities' rate

case expense supporting documentation filed on July 19, 2019; (i) the parties' agreement filed on August 30, 2019; (j) Commission Staff's affidavit of Alicia Maloy filed on August 30, 2019; (k) Commission Staff's affidavit of Stephen Mendoza filed on September 3, 2019; (l) the parties' amended agreement exhibit A filed on September 4, 2019; and (m) Commission Staff's amended affidavit of Joe Luna in support of the agreement filed on September 6, 2019.

Energy-Efficiency Goals 16 TAC § 25 181(e)

- TNMP's weather-adjusted average annual growth in demand for the previous five years (2014 through 2018) is 1,382.5 megawatts (MW).
- Because TNMP has reached a demand-reduction goal of greater than four-tenths of 1% of its summer weather-adjusted peak demand under 16 Texas Administrative Code (TAC) § 25.181(e)(1)(B), its calculated minimum demand-reduction goal under 16 TAC § 25.181(e)(1)(C) is 5.1 MW.
- 23. Under 16 TAC § 25.181(e)(1)(D), a utility's demand-reduction goal may not be lower than the goal from the prior program year. Thus, TNMP's demand-reduction goal is 5.44 MW.
- 24. TNMP projects that it will achieve 10.74 MW in demand reductions in program year 2020, which exceeds the minimum of 5.44 MW.
- 25. The estimated savings to be achieved through TNMP's programs for hard-to-reach customers is 0.896 MW or 16 % of the proposed goal of 5.44 MW, which is in excess of the 5.0% minimum required by 16 TAC § 25.181(e)(3)(F).
- 26. TNMP forecasts that it will achieve energy savings of 15,014 megawatt-hours (MWh) in program year 2020, which exceeds the minimum of 9,531 MWh because of the mix of energy and demand savings achievable through the programs.

Agreement PURA § 14.054 and 16 TAC § 22 35

- 27. Under the agreement, TNMP's EECRF will recover \$5,853,453 during program year 2020, which includes:
 - (a) TNMP's forecasted energy-efficiency costs of \$5,343,155 in program year 2020;

- Projected EM&V expenses in the amount of \$58,323 for the evaluation of program year 2019;
- (c) An adjustment of \$342,172 for TNMP's net over-recovery of program year 2018 energy-efficiency costs which includes includes a deduction for TNMP's rate-case expenses of \$54,303;
- (d) \$10,434 in interest on TNMP's over-recovery of progam year 2018 energy-efficiency costs;
- (e) Municipal rate-case expenses of \$8,415; and
- (f) A performance bonus of \$796,166.
- 28. The agreement provides an effective date of March 1, 2020 for TNMP's program year 2020 EECRF tariff rider, with the rider remaining in effect until December 31, 2020, or until the Commission orders otherwise.
- 29. On August 30, 2019, the parties filed notice that they had reached an agreement resolving all outstanding issues between them and requested the suspension of the procedural schedule.

Elements of Recovery and Coordination with Base-Rate Recovery 16 TAC §§ 25.182(d)(1) and (d)(6)

- 30. TNMP's EECRF is calculated to recover TNMP's forecasted annual energy-efficiency expenditures, the preceding year's over- or under-recovery, municipal and utility EECRF proceeding expenses from TNMP's immediately preceding EECRF docket, a performance bonus, and EM&V costs allocated to TNMP by the Commission as allowed by 16 TAC § 25.182(d)(1)(A).
- 31. TNMP does not recover any energy-efficiency costs in its base rates.
- 32. TNMP's EECRF is designed to provide only for energy charges for residential and commercial rate classes in compliance with 16 TAC § 25.182(d)(6).

EECRF Cost Caps 16 TAC § 25.182(d)(7)

- Before applying the 2.22% consumer price index adjustment, TNMP used a base cap of\$0.001303 per kilowatt-hour (kWh) for the residential class and \$0.000799 per kWh for
 - the commercial classes in accordance with 16 TAC § 25.182(d)(7). TNMP calculated its

EECRF cost caps for the 2020 program year to be \$0.001332 per kWh for the residential class and \$0.000833 per kWh for commercial customers.

34. TNMP's EECRF rider tariff will impose a charge of \$0.001172 per kWh on residential customers and a charge ranging from \$0.000041 per kWh to \$0.001676 per kWh for the commercial classes. The group rate is \$0.000567 per kWh for the purpose of the commercial cost cap.

Over- or Under-Recovery 16 TAC § 25 182(d)(2)

- 35. TNMP requests to refund each rate class the difference between TNMP's actual EECRF revenues and its actual costs for that class, which results in a net over-recovery.
- 36. TNMP accurately calculated the over-recovery of 2018 program costs in the amount of \$352,606, including \$10,434 in interest and \$54,303 in agreed rate-case expenses for TNMP.

Proceeding Expenses 16 TAC § 25 182(d)(3)

- 37. In its application, TNMP included the testimony of Michael S. Seamster. The factors relied upon by Mr. Seamster in reaching his opinion on the reasonableness and necessity of TNMP's rate-case expenses are the factors required by 16 TAC § 25.245(b). In his testimony, Mr. Seamster attested that TNMP's rate-case expenses of \$55,604 incurred in its 2018 EECRF proceeding, Docket No. 48404, were reasonable and necessary.
- 38. The agreement included a \$1,301 reduction in rate-case expenses.
- 39. The agreed amounts of \$54,303 in rate-case expenses for TNMP and \$8,415 in municipal rate-case expenses sought in the settlement agreement is reasonable and necessary.

Performance Bonus Calculations 16 TAC § 25.182(e)

- 40. In 2018, TNMP's program costs were \$6,228,165, and the total avoided costs were \$14,189,820 on energy-efficiency programs.
- 41. Under 16 TAC § 25.182(e)(3), TNMP's application sought the maximum allowable performance bonus, which is 10% of the net benefits of \$7,961,655 achieved through its energy-efficiency incentive program costs, for exceeding its goal for calendar year 2018. The resulting performance bonus from this calculation is \$796,166.

Evaluation, Measurement, and Verification Costs 16 TAC § 25.181(0)

42. TNMP's share of the estimated total 2019 EM&V costs are \$58,323 and, to the maximum extent reasonably possible, is directly assigned to each rate class that receives services under its programs.

Administrative and Research and Development Cost Caps 16 TAC § 25 181(g)

- 43. TNMP incurred \$603,251 in necessary administrative costs and \$189,682 in research and development costs for the 2018 energy-efficiency programs to meet TNMP's goals. Those amounts were 11.88% and 3.74%, respectively, of the total program costs for the previous year. Therefore, TNMP's cumulative cost of administration and research and development was 15.62% of the total program costs.
- 44. TNMP's cost of administration did not exceed 15% of its total program costs. TNMP's cost of research and development did not exceed 10% of its total program costs. TNMP's cumulative cost of administration and research and development did not exceed 20% of its total program costs for the 2018 program year.

Cost Effectiveness 16 TAC § 25.181(d)

- 45. TNMP used an avoided cost of capacity of \$80 per kW-year for 2018 and 2019. TNMP used Commission Staff's posted avoided cost of energy of \$0.03757 per kWh for 2018 and \$0.05084 per kWh for 2019.
- 46. TNMP determined that its 2018 portfolio of energy-efficiency programs produced a benefit-cost ratio of 2.28, which exceeds the benefit-cost ratio of 1.0 or greater required by 16 TAC § 25.181(d).
- 47. TNMP's forecasted 2020 energy-efficiency program costs of \$5,343,155 are a reasonable estimate of the cost necessary to provide energy-efficiency programs and meet TNMP's goals for 2020.

Total Cost Recovery 16 TAC § 25 182(d)

48. TNMP's net cost recovery of \$510,298—which consists of TNMP's (i) EM&V expenses allocated to TNMP for program year 2019; (ii) adjustment for the net over-recovery, including interest, of program year 2018 energy-efficiency costs; (iii) TNMP's

performance bonus earned in 2018; and rate-case expenses from Docket No. 48404—is a reasonable amount.

Rate Classes and Direct Assignment of Costs 16 TAC § 25.182(d)(2)

49. TNMP directly assigned costs to the maximum extent reasonably possible to each rate class that receives services under the programs.

Fostering of Competition Among Energy-Efficiency Service Providers 16 TAC § 25.181(g)(2)

50. TNMP has adopted measures to foster competition between energy-efficiency service providers including issuing requests for proposals and accepting online applications and registrations.

<u>Requirements for Standard Offer, Market Transformation, and Self-Delivered Programs 16 TAC</u> § 25.181(h) through (k)

51. TNMP's energy-efficiency program includes standard offer and market transformation programs.

Incentive Payments 16 TAC § 25 181(f)

52. TNMP's incentive payments do not exceed 100% of avoided cost.

Affiliate Costs PURA § 36 058, 16 TAC § 25 181(c)(1) and 25.182(d)(10)(1)

53. TNMP did not incur any affiliate costs for energy efficiency in 2018.

Energy-Efficiency Plan and Report 16 TAC § 25 181(1)

- 54. On March 29, 2019, TNMP filed its 2019 energy-efficiency plan and report required by 16 TAC § 25.181(l).
- 55. On May 28, 2019, TNMP filed its amended 2019 energy-efficiency plan and report.

Low-Income Energy Efficiency 16 TAC § 25.181(p)

56. TNMP is implementing a targeted low-income energy-efficiency program through two implementers to provide marketing and education to local government organizations and not-for-profit agencies. Frontier Energy contracts with the Texas Department of Housing and Community Affairs sub-recipients and other not-for-profit community action and government agencies to provide weatherization services to TNMP's residential electric distribution customers who have household incomes at or below 200% of current federal

poverty level guidelines. Additionally, EnerChoice reaches the multifamily market through a competitive bidding process.

57. TNMP's budgeted incentive amount for its low-income programs in program year 2020 is
\$635,697, which is greater than 10% of the total portfolio budget amount of \$5,343,155 (including EM&V).

Outreach to Retail Electric Providers 16 TAC § 25.181(r)

- 58. TNMP serves in an area in which customer choice is offered.
- 59. TNMP had implemented a retail electric provider market transformation program that was a partnership between retail electric providers and TNMP to offer energy-saving products and service to end-use customers in 2016, 2017, and 2018 without enough retail electric provider assistance to become cost-effective. The program has been discontinued.

Industrial Customer Exclusions 16 TAC § 25 181(u)

60. As of the filing of the application, TNMP received notices under 16 TAC § 25.181(u) to exclude a total of 29.1 MW of peak demand from TNMP's energy-efficiency programs for program year 2020. Those excluded customers have been reflected in the EECRF calculations.

Line Losses 16 TAC §§ 25 181(e)(3)(B) and 25.182 (d)(10)(M)

- 61. TNMP's calculation of the demand reduction goal used deemed actual distribution loss factors used in the ERCOT settlement process calculated from the distribution loss coefficients submitted by distribution service providers and the ERCOT actual load. The deemed actual distribution loss factors were added to deemed actual transmission loss factors used in the ERCOT settlement process calculated based upon a linear interpolation or extrapolation using the on-peak and off-peak transmission loss factors corresponding to the actual ERCOT system.
- 62. TNMP's line-loss of 5.75% used in calculating its 2020 EECRF charges is reasonable.

Billing Determinants 16 TAC § 25.182(d)(10)(E)

63. The estimate of billing determinants in calculating TNMP's 2020 EECRF and the calculation of the 2020 EECRF tariff rider are reasonable.

Good Cause Exceptions 16 TAC §§ 22.5(b), 22 35(b)(2), 25.181(e)(2), and 25 182 (d)(2)

TNMP did not seek a good cause exception to be eligible for a lower demand-reduction goal, a higher administrative spending cap, or a higher EECRF cost cap under 16 TAC § 25.181(e)(2). TNMP also did not seek a good cause exception to combine rate classes under 16 TAC § 25.182(d)(2).

Informal Disposition 16 TAC § 22.35(a)

- 65. More than 15 days have passed since the completion of notice provided in this docket.
- 66. Commission Staff requested a hearing but effectively withdrew that request by entering into the agreement. No hearing is necessary.
- 67. The 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 PURA³ 11.004(1) and an electric utility as that term is defined in PURA 31.002(6).
- The Commission has jurisdiction over this matter under PURA §§ 14.001, 32.001, 36.001, 36.204, and 39.905.
- 3. Under PURA § 39.905 and 16 TAC § 25.182(d)(8), an electric utility may file for an EECRF.
- 4. TNMP complied with the requirement under 16 TAC § 25.182(d)(8) to apply by May 1 to adjust its EECRF, effective January 1 of the following year.
- 5. The Commission processed the application in accordance with the requirements of PURA, the Administrative Procedure Act,⁴ and Commission rules.
- 6. SOAH exercised jurisdiction over this proceeding in accordance with PURA § 14.053 and Texas Government Code § 2003.049.

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

⁴ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001-.902.

- 7. TNMP provided notice of the application in accordance with 16 TAC § 25.182(d)(13) and 16 TAC § 22.55 and filed an affidavit attesting to the completion of notice as required by 16 TAC § 25.182(d)(14).
- 8. TNMP's application is sufficient under 16 TAC § 25.182(d)(10) and (11).
- 9. The hearing on the merits was set, and notice of the hearing was given, in compliance with Texas Government Code §§ 2001.051 and 2001.052.
- 10. TNMP calculated its weather-adjusted average annual growth in demand in compliance with 16 TAC § 25.181(e)(3).
- TNMP has acquired reduction of four-tenths of 1% of its summer weather-adjusted peak demand of residential and commercial customers in compliance with 16 TAC § 25.181(e)(1)(B), (e)(1)(C), and (e)(3)(B).
- 12. TNMP's minimum energy-savings goal was calculated in compliance with 16 TAC § 25.181(e)(4).
- 13. TNMP's portfolio of energy-efficiency programs effectively and efficiently achieves the goals set out in 16 TAC § 25.181 as required by 16 TAC § 25.181(e)(5).
- 14. TNMP's proposed EECRF rates comply with the requirements for cost caps under 16 TAC § 25.182(d)(7).
- TNMP's requested adjustment of \$342,172 for TNMP's net over-recovery, plus \$10,434 in interest, of program year 2018 energy-efficiency costs complies with PURA § 39.905(b-l) and 16 TAC § 25.182(d)(2).
- 16. EECRF proceeding expenses are rate-case expenses.
- 17. The requirements of 16 TAC § 25.182(d)(3)(A) and 16 TAC § 25.245 apply to the recovery of EECRF proceeding expenses.
- TNMP's 2018 proceeding expenses of \$54,303 comply with 16 TAC § 25.182(d)(3)(A) and 16 TAC § 25.245.
- 19. Cities' 2018 proceeding expenses of \$8,415 comply with 16 TAC § 25.182(d)(3)(A) and 16 TAC § 25.245

- 20. TNMP qualified for and accurately calculated its energy-efficiency performance bonus of \$796,166 for its energy-efficiency achievements in program year 2018 in compliance with the requirements of PURA § 39.905 and 16 TAC § 25.182(e).
- 21. The amount and allocation of TNMP's administrative and research and development costs comply with 16 TAC § 25.181(g).
- 22. TNMP's energy-efficiency programs adhere to the cost-effectiveness standards contained in 16 TAC § 25.181(d).
- 23. TNMP's net cost recovery of \$510,298—which consists of TNMP's (i) EM&V expenses allocated to TNMP for program year 2019; (ii) adjustment for the net over-recovery, including interest, of program year 2018 energy-efficiency costs; (iii) TNMP's performance bonus earned in 2018; and (iv) rate-case expenses from Docket No. 48404—complies with PURA § 39.905 and 16 TAC § 25.182(d).
- 24. The assignments and allocations of TNMP's proposed 2020 EECRF rates to the rate classes are reasonable and comply with PURA § 39.905(b)(4) and 16 TAC § 25.182(d)(2).
- 25. TNMP has adopted measures to foster competition among energy-efficiency service providers in compliance with 16 TAC § 25.181(g)(2).
- 26. TNMP's standard offer, market transformation, and self-delivered programs comply with PURA § 39.905(a)(3) and 16 TAC § 25.181(h) through (k).
- 27. TNMP's incentive payments, which do not exceed 100% of avoided cost, are in compliance with 16 TAC § 25.181(f).
- 28. TNMP's targeted low-income energy-efficiency program exceeds the minimum of 10% of its energy-efficiency budget for the program year in compliance with 16 TAC § 25.181(p).
- 29. TNMP's outreach and information programs meet the requirement of PURA 39.305(a)(4) and 16 TAC 25.181(r) to encourage and facilitate the involvement of retail electric providers in the delivery of efficiency and demand-response programs.
- 30. TNMP's load associated with industrial customers who provided qualifying identification notice was excluded from TNMP's calculated demand-reduction goal in accordance with 16 TAC § 25.181(u).

- 31. TNMP's proposed 2020 EECRF rates are just and reasonable under PURA § 36.003(a).
- 32. In accordance with PURA § 36.003(b), TNMP's proposed 2020 EECRF rates are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each consumer class.
- 33. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

- 1. The Commission approves TNMP's EECRF, as modified by the agreement, to the extent provided in this Order.
- 2. TNMP's 2020 EECRF is approved in the amount of \$5,854,753, which is composed of the following: (a) estimated 2020 energy-efficiency program costs of \$5,343,155; (b) a performance bonus of \$796,166 for 2018 program achievements; (c) \$8,415 in municipal rate-case expenses; (d) EM&V costs of \$58,323; (e) a \$342,172 adjustment for the over-recovery of 2018 program costs which includes \$54,303 in rate-case expenses for TNMP's 2018 EECRF docket; and (f) a \$10,434 adjustment for interest on the over-recovery of 2018 program costs.
- 3. The Commission approves TNMP's EECRF tariff-rider schedule attached as attachment A to the agreement.
- 4. TNMP is authorized to apply the EECRF tariff rider approved by this Order beginning on and after January 1, 2020.
- 5. Within ten days of the date of this Order, TNMP must provide a clean copy of the EECRF tariff approved by this Order to central records to be marked *Approved* and filed in the Commission's tariff books.
- 6. 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.

7. 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 November 2019.

PUBLIC UTILITY COMMISSION OF TEXAS

DEANN T. WALKER, CHAIRMAN

ARTHUR C. D'ANDREA, COMMISSIONER

SHELLY BOTKIN, COMMISSIONER

W2013

q \cadm\orders\soah settled\49000\49586 po.docx