

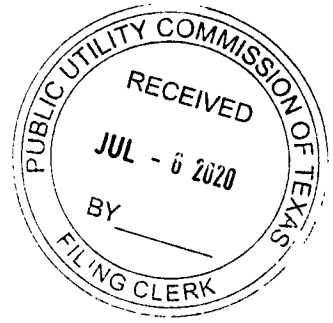


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SOAH NO. 473-20-3633
PUC DOCKET NO. 50806

APPLICATION OF EL PASO
ELECTRIC COMPANY TO
REVISE ITS ENERGY EFFICIENCY
COST RECOVERY FACTOR AND
ESTABLISH A REVISED COST CAP

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

CITY OF EL PASO'S STATEMENT OF POSITION

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE

The City of El Paso submits this statement of position pursuant to the timing requirement of SOAH Order No. ###, the approved procedural schedule in the case.

1. El Paso Electric Company failed to meet the burden to establish that its costs for 2019 were reasonable and necessary. The issue is ripe in Preliminary Order Issues No. 7 and 8.
7. Were the costs recovered by the utility through its EECRF for program year 2019 in compliance with PURA § 39.905 and 16 TAC §§ 25.181 and 25.182?
8. Were the costs recovered by the utility through its EECRF for program year 2019 reasonable and necessary to reduce demand growth or energy consumption?¹

In particular, EPE's direct case indicates that the costs of one program for 2019 were not reasonable and necessary as the costs incurred were not cost effective. In the Direct Testimony of Crystal Enoch who admitted the Residential Demand Response Pilot Program (DRPP) did not meet the cost effectiveness standard of the rule and was the last year of that program.² The total cost of the program in 2019 was \$214,515 including incentive costs of \$145,658 and administrative costs of \$68,857.³ Accordingly, the costs of the program were not reasonable and necessary, the reconciliation should so reflect, and the EECRF for 2021 adjusted to remove those costs. 7. Were the costs recovered by the utility through its EECRF for

¹ *Application of El Paso Electric Company to Revise its Energy Efficiency Cost Recovery Factor and Establish a Revised Cost Cap*, Docket No. 50806. Preliminary Order (May 29, 2020)

² Direct Testimony of Crystal A. Enoch at 4-6(Bates 33-35)

³ See Direct Testimony of Crystal A. Enoch, Exhibit CAE-02, Line Demand Response Pilot Program (Bates 80).

2. Municipal Expenses of \$10, 254.24 for the prior year case are reasonable and should be found recoverable and are supported by the Declaration of Norman J. Gordon and Karl J. Nalepa filed on July 3, 2020.

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Attorneys for the City of El Paso

Certificate of Service

I certify that a true and correct copy of this document was served by E-mail or US mail on all parties of record in this proceeding on July 3, 2020.

By: _____/s Norman J. Gordon _____

EL PASO ELECTRIC COMPANY

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