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<b>APPLICATION OF EL PASO ELECTRIC COMPANY TO CHANGE RATES</b>	<b>§ § §</b>	<b>BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS</b>
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**ERRATA TO THE DIRECT TESTIMONY OF KIT PEVOTO  
ON BEHALF OF THE UNIVERSITY OF TEXAS AT EL PASO**

The University of Texas at El Paso (“UTEP”) submits the following errata to the Direct Testimony of Kit Pevoto and Workpaper KP-1 to the Direct Testimony of Kit Pevoto:

- Direct Testimony, Page 18, Table KP-3: the label of the far-right column is amended to read “EPE Proposed RROR” instead of “EPE Prposed RORI”;
- Direct Testimony, Page 31, Line 11: the line is amended to read “five rate classes experiencing rate decreases” instead of “five rate classes experiencing rate increases.”; and,
- Workpaper KP-1 to Direct Testimony, Sheet 1 of 3: the label of Column (i) is amended to read “UTEP Step 1 Proposed Moderated Base Rate Revenue Increase” instead of “Fixed Fuel Factor Revenue under Proposed Rates (C)”.

A redlined copy and a clean copy of the errata pages are attached.

Respectfully submitted,

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Chelsea J. Lu  
State Bar No. 24095439  
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By: /s/ Chelsea J. Lu  
Chelsea J. Lu

**Counsel for University of Texas at El Paso**

**Certificate of Service**

I hereby certify that on this the 14th day of January, 2022, a true and correct copy of the foregoing document was served via email upon the parties of record.

*/s/ Chelsea J. Lu*

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Chelsea J. Lu

1 rate classes that have received rate moderation in (1) and (2)) based on each  
 2 rate class' revenue requirement.

3 **Q. What are the rate class base rate revenue requirements resulting from EPE's**  
 4 **proposed rate moderation mechanism?**

5 A. The following table summarizes EPE's proposed rate class base rate revenue  
 6 requirement distribution:

7 Table KP-3

8

Table KP-3 EPE's Proposed Unity Cost and Rate Class Base Rate Revenue Distribution								
Rate Class Description	Present Base Rate Revenue Adjusted (000)	Present RROR	Unity Cost Revenue Increase (000)	Unit Cost Revenue Increase %	Unity RRO R	EPE Proposed Base Rate Req. Increase (000)	EPE Proposed Base Rate Req. Increase %	EPE Proposed RROR
Rate Classes that currently subsidize								
Small General	\$33,320	1.54	-\$3,334	-10.01%	1.00	-\$947	-2.84%	1.29
Governmental Street Lt.	\$4,047	2.38	-\$983	-24.29%	1.00	-\$913	-22.56%	1.09
Traffic Signals	\$95	1.10	\$3	3.16%	1.00	\$5	4.97%	1.10
Municipal Pumping TOU	\$10,102	1.20	\$56	0.55%	1.00	\$287	2.84%	1.08
General Service	\$125,006	1.52	-\$11,214	-8.97%	1.00	-\$2,893	-2.31%	1.25
Large Power Service	\$35,956	1.11	\$1,179	3.28%	1.00	\$2,019	5.62%	1.08
Area Lighting	\$2,933	1.61	-\$296	-10.10%	1.00	-\$236	-8.06%	1.09
City/County	\$19,126	1.60	-\$2,202	-11.51%	1.00	-\$691	-3.61%	1.30
Rate Classes that are currently subsidized								
<b>Residential</b>	\$273,639	0.73	\$51,086	18.67%	1.00	<b>\$37,194</b>	<b>13.59%</b>	<b>0.85</b>
Outdoor Recreational Lt	\$463	0.56	\$151	32.62%	1.00	\$165	35.63%	1.07
Electrolytic Refining	\$1,830	0.58	\$399	21.78%	1.00	\$450	24.56%	1.09
<b>Rider - Water Heating</b>	\$475	(0.13)	\$330	69.51%	1.00	<b>\$65</b>	<b>13.59%</b>	<b>(0.24)</b>
Irrigation Service	\$423	0.54	\$133	31.46%	1.00	\$146	34.45%	1.07
Petroleum Refinery	\$10,965	0.64	\$1,927	17.57%	1.00	\$2,220	20.24%	1.10
Electric Furnace	\$1,192	0.47	\$309	25.94%	1.00	\$343	28.82%	1.09
Military Reservation	\$13,010	0.81	\$1,709	13.14%	1.00	\$2,046	15.73%	1.09
Cotton Gin	\$133	0.56	\$45	33.53%	1.00	\$49	36.57%	1.07

9 **Q. What are your observations regarding EPE's proposed rate class base rate**  
 10 **revenue requirement distribution?**

11 A. Based on my review of Table KP-3, I have the following observations:

12 1) Out of the seventeen rate classes, only two rate classes, the Residential class  
 13 and its Water Heating rider, are assigned a cost increase less than the amount

1 rate classes that have received rate moderation in (1) and (2)) based on each  
 2 rate class' revenue requirement.

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12 1) Out of the seventeen rate classes, only two rate classes, the Residential class  
 13 and its Water Heating rider, are assigned a cost increase less than the amount

1 Q. **What observations do you draw from the comparison of EPE's and UTEP's**  
2 **proposed base rate revenue requirement comparison as shown in Table KP-**  
3 **9?**

4 A. Based on the comparison analysis shown in Table KP-9, I have the following  
5 observations:

6 1) Under EPE's proposal, all of the non-Residential rate classes (a total of fifteen  
7 rate classes) contribute to mitigating the rate increase for the Residential rate  
8 class and its Water Heating rider. As a result, the customers in EPE's fifteen  
9 rate classes subsidize the Residential and Water Heating customers.

10 2) Under UTEP's proposal, the moderation of the rate increases is absorbed by  
11 five rate classes experiencing rate ~~increases~~decreases.

12 3) Under UTEP's proposal, seven rate classes were assigned its unity costs and  
13 therefore their rates would be set at cost. To the contrary, no rate class would  
14 pay exactly its cost under EPE's proposal.

15 4) UTEP's proposed rate moderation mechanism would set the rates of all rate  
16 classes closer to their unity cost than EPE's proposed rate moderation  
17 mechanism. The following table compares the rate classes' RRORs between  
18 EPE's and UTEP's proposals:

19

1 Q. **What observations do you draw from the comparison of EPE's and UTEP's**  
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11 five rate classes experiencing rate decreases.

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14 pay exactly its cost under EPE's proposal.

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17 mechanism. The following table compares the rate classes' RRORs between  
18 EPE's and UTEP's proposals:

19

The following files are not convertible:

2022.01.14 Errata to KP-1 of Direct  
Testimony of Kit Pevoto on Behalf of UTEP\_Redlined.xlsx  
2022.01.14 Errata to KP-1 of Direct  
Testimony of Kit Pevoto on Behalf of UTEP\_Clean.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

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