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**APPLICATION OF EL PASO
ELECTRIC COMPANY TO CHANGE
RATES**

§
§
§

**BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

EL PASO ELECTRIC COMPANY'S CORRECTIONS TO THE PROPOSED ORDER

El Paso Electric Company requests that the following corrections be made to the proposed order:

Finding of Fact 1 should be amended as follows:

1. El Paso Electric is a ~~Delaware~~ Texas corporation registered with the Texas secretary of state under filing number 1073400.

Why the change is necessary: As stated on Page 3 of EPE's petition, EPE is a Texas corporation. See also, EPE's most recent FERC FORM 1, page 5, question 2 filed with the Commission in Project No. 35588, *Electric Utilities Financial And Operating Reports (i.e., FERC FORM 1, USDA-RUS FORM 7, RUS 7a, RUS 12a, etc.) Pursuant to SUBST. R. §25.73* (Interchange Item no. 403, page 16 of 100).

Finding of Fact 10 should be amended as follows:

10. El Paso Electric requested a ~~prudence determination for inclusion~~ into its rate base all capital additions placed into service during the period of ~~January~~ October 1, 2020 ~~2016~~ through December 31, 2020.

Why the change is necessary: EPE requested inclusion into its rate base all of its investment since its last base rate case test year end, or since September 30, 2016 (Petition page 9, paragraph 2 and Direct Testimony of James Schichtl, page 20, line 20).

Finding of Fact 13 should be amended as follows:

13. Based on a 2019 nuclear decommissioning study, El Paso Electric projected that at this time no additional funding is necessary for the Palo Verde nuclear station; therefore, El Paso Electric did not request to recover any costs for nuclear decommissioning in its application.

Why the change is necessary: This is to further clarify that the zero level of funding for nuclear decommissioning is for this case only and is subject to review and adjustment in future proceedings (Direct Testimony of Larry Hancock, page 38, line 31 to page 39, line

4). While the draft order is very similar to the language proposed in the settlement, EPE wanted to take this opportunity to further clarify what was intended

After Finding of Fact 19, another Finding of Fact should be added that states:

20. In SOAH Order No. 14, filed on March 18, 2022, the SOAH ALJ again reset the effective date (after suspension) to May 31, 2022, as agreed to by the parties.

Why the change is necessary: Addition is necessary to clarify current jurisdictional deadline for Commission action.

Finding of Fact 27 should be amended as follows:

27. In SOAH Order No. 2 filed on June 29, 2021, the SOAH ALJs found the application and proposed notice sufficient.

Why the change is necessary: SOAH Order 2 also found EPE's proposed notice to be sufficient.

Finding of Fact 93 should be amended as follows:

93. The signatories agreed to revise the EDIT credit rider if the Internal Revenue Service ~~determined~~ determines that amounts included in the rider ~~violated~~ violates tax normalization requirements.

Why the change is necessary: This is to make it clear that the rider will be revised if in the future the IRS determines there is a normalization violation. As drafted it could be interpreted that the IRS has already stated its position on the issue. While the draft order is very similar to the language proposed in the settlement, EPE wanted to take this opportunity to further clarify what was intended.

Conclusion of Law 8 should be either deleted or amended as follows:

8 El Paso Electric's application complied with PURA § 36.112(b)(1)(2) and 16 TAC § 25.246(b)(2) and (3), which allow for an electric utility's revenue requirement to be based on information submitted for a test year and updated to include information that reflects the most current actual or estimated information regarding increases or decreases to the electric utility's cost of service.

Why the change is necessary: EPE did not elect to use PURA §36.112(b)(2). EPE's stated on page five of its petition:

The Test Year for this base rate case is January 1, 2020, through December 31, 2020. Under PURA § 36.112(b)(1) and its corresponding Commission rule in 16 TAC

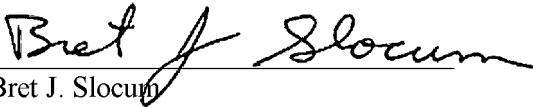
§ 25.246(b)(2)(A), EPE elects to have its revenue requirement based on the information submitted for the calendar year 2020 test year, with known and measurable adjustments as permitted by PURA § 36.112(e). EPE is **not** electing to determine its revenue requirement based on the updated test year approach allowed by PURA § 36.112(b)(2) and its corresponding rule 16 TAC §25.246(b)(2)(B). (emphasis in original)

Conclusion of Law 14 should be deleted.

Why the change is necessary: Conclusion of Law 14 is unnecessary because EPE did not have any affiliate transactions reflected in its cost of service, as is stated in the subsequent Conclusion of law, number 15.

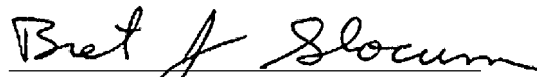
Respectfully,

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on September 6, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.


Bret J. Slocum