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Received - 2022-09-07 11:05:06 AM
Control Number - 52195
ItemNumber - 617

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TO: Chairman Peter M. Lake
Commissioner Will McAdams
Commissioner Lori Cobos
Commissioner Jimmy Glotfelty
Commissioner Kathleen Jackson

All Parties of Record

FROM: Office of Policy and Docket Management

RE: **PUC Docket No. 52195**
SOAH Docket No. 473-21-2606 – *Application of El Paso Electric Company to Change Rates*

DATE: September 7, 2022

The Commission will consider a proposed order in this docket at a future open meeting. On September 6, 2022, El Paso Electric Company, the City of El Paso, the Office of Public Utility Counsel, and the Rate 41 group requested corrections to the proposed order.

All of the suggested corrections are appropriate and are made as follows:

Finding of fact 1 is modified for accuracy.

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

Finding of fact 10 is modified for accuracy.

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



Finding of fact 13 is modified for clarity.

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

Finding of fact 15 is modified for completeness.

15. In its rebuttal testimony filed on November 19, 2021, El Paso Electric moved COVID-19 expenses and rate-case expenses out of base revenues and into separate riders. El Paso Electric also reduced its requested increase in Texas retail base-rate revenues to \$35,693,538, after accounting for zeroed out revenues that El Paso Electric is already recovering through its DCRF and TCRF and excluding non-firm base revenue.

An additional finding of fact is added after finding of fact 19 for completeness.

- XX. In SOAH Order No. 14 filed on March 18, 2022, the SOAH ALJs again reset the effective date, after suspension, to October 15, 2022, as agreed to by the parties.

Finding of fact 27 is modified for completeness.

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

Two additional findings of fact are added after finding of fact 47 for completeness.

- XX. The hearing on the merits reconvened on March 22, 2022.

- XX. In SOAH Order No. 15 filed on March 22, 2022, the SOAH ALJs abated the proceeding for discussions regarding an agreement between the parties.

A new finding of fact is added after finding of fact 50 for completeness.

- XX. On September 6, 2022, counsel for the Rate 41 group made a filing with the Commission confirming that all necessary board approvals were obtained during the month of August 2022.

Finding of fact 93 is modified for clarity.

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

Conclusion of law 8 is modified for accuracy.

8. Because El Paso Electric did not elect to update information submitted for its test year, the requirements of PURA § 36.112(b)(2) and 16 TAC § 25.246(b)(2) and (3) do not apply. El Paso Electric's application complied with PURA § 36.112(b)(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.

Conclusion of law 14 is deleted because El Paso Electric did not have any affiliate transactions during the test year.

- ~~14. El Paso Electric's invested capital through the end of the test year meets the requirements of PURA § 36.058.~~

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