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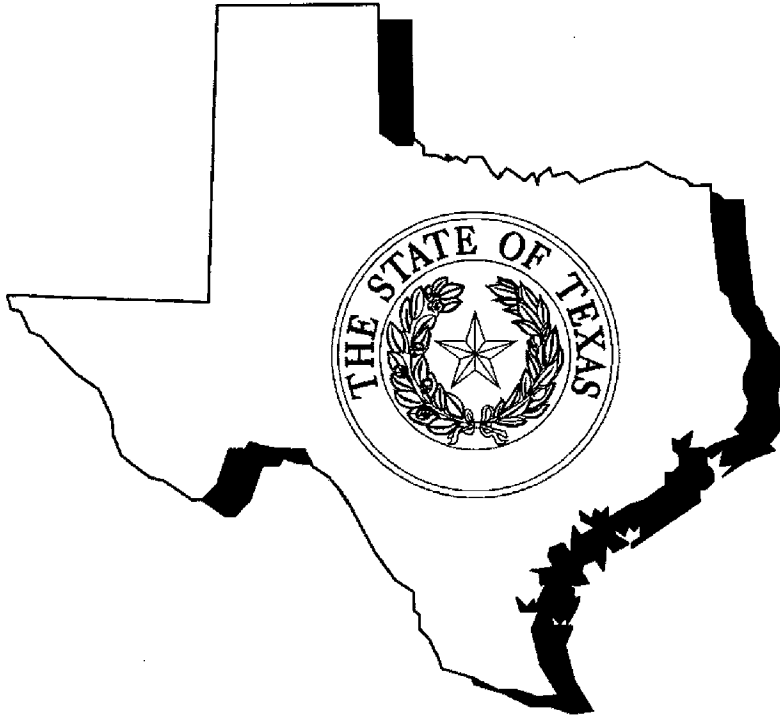
**APPLICATION OF EL PASO
ELECTRIC COMPANY TO REVISE
ITS ENERGY EFFICIENCY COST
RECOVERY FACTOR AND
ESTABLISH REVISED COST CAPS**

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS



TESTIMONY OF

TSUNGIRIRAI GOTORA

IN SUPPORT OF THE SETTLEMENT AGREEMENT

INFRASTRUCTURE DIVISION

PUBLIC UTILITY COMMISSION OF TEXAS

October 17, 2022

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1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. Please state your name, occupation, and business address.**

3 A. My name is Tsungirirai Gotora. I am employed by the Public Utility Commission of
4 Texas (Commission) as a Senior Infrastructure Analyst in the Infrastructure Division.
5 My business address is 1701 N. Congress Avenue, Austin, TX.

6

7 **Q. Please describe your professional background.**

8 A. Prior to my employment at the Commission, I worked at Sharyland Utilities, LP
9 (Sharyland) as a Regulatory Analyst for more than three years. As a Regulatory
10 Analyst, I was responsible for Sharyland's compliance filings with the Commission
11 and the U.S. Energy Information Administration.

12 After working for Sharyland, I served as a Research Analyst for the Connecticut
13 Department of Energy and Environmental Protection, Bureau of Energy Technology
14 Policy for three years. As a Research Analyst, I analyzed and reviewed natural gas
15 rate case applications; and analyzed and reviewed compliance reports filed by local
16 distribution companies.

17 My current role at the Commission includes analyzing and reviewing fuel factor
18 applications; fuel reconciliation proceedings; generation certificate of convenience
19 and necessity applications; advanced metering system deployment applications; and
20 service area exceptions and boundary issues.

21

22 **Q. Please describe your educational background.**

23 A. I have a Bachelor of Arts Degree in Economics and a Masters of Arts Degree in
24 Economics with a focus in Public Utility Policy and Regulation, both from New
25 Mexico State University.

1 **Q. Have you previously testified or provided other types of recommendations in**
2 **regulatory proceedings?**

3 A. I have previously filed direct testimony in Docket No. 52210¹, Docket No. 52389²,
4 Docket No. 52451³, and Docket No. 53034.⁴

5

6 **II. PURPOSE OF TESTIMONY**

7 **Q. What is the purpose of your testimony?**

8 A. The purpose of my testimony is to support the stipulations and settlement agreement
9 (Agreement) that El Paso Electric (EPE), City of El Paso (City), Texas Industrial
10 Energy Consumers (TIEC), and Commission Staff (collectively, Signatories) have
11 reached in this proceeding.

12

13 **Q. Does the Agreement provide for an acceptable resolution of EPE's request in this**
14 **proceeding?**

15 A. Yes. The resolution of the issues as reflected in the Agreement reflects an appropriate
16 and reasonable balancing of the interests of EPE and its customers. The final terms
17 constitute a negotiated compromise to which the Signatories agreed after discussions,
18 and any changes to the Agreement could undermine its purpose, result in the
19 withdrawal from the Agreement by Signatories negatively affected by the changes,
20 and create additional litigation and costs.

¹ *Application of Southwestern Public Service Company to Implement an Interim Net Surcharge for Under-Collected Fuel Costs*, Docket No. 52210, Direct Testimony of Tsungirirai Gotor, (Oct. 15, 2021);

² *Southwestern Electric Power Company's Request for Approval of Advanced Metering System (AMS) Deployment Plan, AMS Surcharge and Non-Standard Metering Service Fees*, Docket No. 52389, Direct Testimony of Tsungirirai Gotor, (Dec. 8, 2021);

³ *Application Of Southwestern Public Service Company for Approval of Advanced Metering System (AMS) Deployment Plan, AMS Surcharge, and Non-Standard Metering Service Fees*, Docket No. 52451, Direct Testimony of Tsungirirai Gotor, (Jan. 11, 2022);

⁴ *Application Of Southwestern Public Service Company for Authority to Reconcile Fuel and Purchased Power Costs for The Period July 1, 2018 Through June 30, 2021*, Docket No. 53034, Direct Testimony of Tsungirirai Gotor, (July 13, 2022)

1 **Q. Do any parties oppose the Agreement?**

2 A. No.

3

4 **III. KEY PROVISIONS OF THE AGREEMENT**

5 **Q. Did the Signatories agree to a reduction in the requested 2023 program year**
6 **expenditures?**

7 A. Yes. The Signatories agreed to the following terms with respect to the requested
8 program year 2023 EECRF expenditures.

9 a. A reduction to EPE's total EECRF requests for the 2023 program year to
10 \$7,789,507. This reflects an agreed reduction of \$137,601 to EPE's EECRF
11 costs as reflected in the Settlement Agreement.

12

13 **Q. What is the effect on the requested EECRF amount?**

14 A. The total amount to be collected through EPE's 2023 EECRF is \$7,789,507, which is
15 reflected through the following components:

16 a. El Paso Electric's estimated energy-efficiency costs in program year 2023 of
17 \$5,283,153 which includes an agreed reduction of \$42,399 to El Paso Electric's
18 estimated incentives, research and development, and administrative costs with the
19 understanding that the actual amount spent during 2023 will be subject to
20 reconciliation in EPE's 2024 EECRF proceeding;

21 b. \$67,272 for estimated evaluation, measurement, and verification (EM&V)
22 expenses for the evaluation of program year 2022;

23 c. an adjustment of \$290,647 to account for net under-recovery of actual energy
24 efficiency costs for 2021;

25 d. a voluntary refund of \$137,601 for incentive costs for 2021;

26 e. \$85,367 in 2021 EECRF proceeding expenses;

1 f. recovery of \$2,200,669 representing EPE's earned performance bonus for
2 achieving demand and energy savings that exceeded its minimum goals to be
3 achieved in PY 2021.

4

5 **Q. Please summarize other key provisions of the Agreement.**

6 A. Besides the agreement to reduce the EPE's total EECRF request for the 2023 program
7 year to \$7,789,507, the Signatories agreed to the following terms.

8 a. EPE's demand goal for 2023 is 11.16 megawatts and energy goal is 19,552
9 megawatt-hours.

10 b. EPE will not recover any energy efficiency costs in base rates.

11 c. The cost caps for program year 2023 are \$0.001433 per kWh for the residential
12 class and \$0.000896 per kWh for the commercial classes based on 16 TAC §
13 25.182(d)(7)(C).

14 d. EPE's tariff will be adjusted to charge the rates for each customer class as
15 described in their application.

16 e. Rate-case expenses incurred in Docket No. 52081 are \$85,367.

17 f. EPE's administrative costs did not exceed 15% of its total program costs for
18 program year 2021; EPE's research and development (R&D) costs did not
19 exceed 10% of its total program costs for program year 2021; and EPE's
20 cumulative cost of administration and R&D did not exceed 20% of its total
21 program costs for program year 2021.

22 g. EPE's program year 2021 portfolio of programs produced a benefit-cost ratio
23 of 1.0 or greater as required by 16 TAC § 25.181(d).

24 h. EPE's incentive payments did not exceed 100% of avoided cost for any
25 customer class as required by 16 TAC § 25.181(f).

1 i. EPE’s demand goal for the 2023 program year was adjusted for line loss as
2 required by 16 TAC § 25.181(e)(3)(B).

3

4 **Q. Are the terms of the Agreement fair and reasonable?**

5 A. Yes. Based on my review of the EECRF, I believe that implementation of the various
6 terms in the Agreement will result in a fair and reasonable outcome for affected
7 stakeholders, avoids the added cost of continued litigation, and is in the public interest.
8 The Agreement provides certainty on the resolution of issues.

9

10 **IV. RECOMMENDATION**

11 **Q. Please summarize your recommendations.**

12 A. In my opinion, the Agreement represents a settlement between the parties of the issues
13 that results in an acceptable resolution to this proceeding that is consistent with the
14 public interest. Therefore, I recommend that the Commission approve the Agreement
15 in its entirety.

16

17 **Q. Does this conclude your testimony?**

18 A. Yes.