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P.U.C. DOCKET NO. 55034

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY
FOR APPROVAL TO ADJUST THE
ENERGY EFFICIENCY COST RECOVERY FACTOR
AND RELATED RELIEF

PREPARED SETTLEMENT TESTIMONY
OF
STACY R. WHITEHURST

ON BEHALF OF
TEXAS-NEW MEXICO POWER COMPANY

AUGUST 4, 2023

I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND PLACE OF EMPLOYMENT.

A. My name is Stacy R. Whitehurst. I serve as Vice President of Regulatory Affairs at Texas-New Mexico Power Company. My business address is 577 N. Garden Ridge Blvd., Lewisville, Texas 75067.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of Texas-New Mexico Power Company ("TNMP" or "Company").

Q. ARE YOU THE SAME PERSON WHO FILED DIRECT TESTIMONY IN THIS DOCKET ON MAY 26, 2023?

A. Yes. My background and experience were provided in my direct testimony in TNMP's original application.

Q. WHY ARE YOU TESTIFYING?

A. I am testifying in support of the unanimous stipulation and settlement agreement entered into by TNMP, the Staff of the Public Utility Commission of Texas ("Staff"), the cities of Alvin, Dickinson, Friendswood, La Marque, and Texas City appearing as the Cities Served by Texas-New Mexico Power Company ("Cities"); and Texas Industrial Energy Consumers Association For Marketers ("TIEC") (collectively with TNMP, the "Parties") which will settle all issues in PUC Docket No. 55034 ("Stipulation"). The Stipulation was filed in this docket.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

The Parties have reached a settlement in principle to resolve this proceeding and reduced that agreement to a comprehensive written settlement stipulation in the form filed in this docket. The Parties are requesting the Commission's approval of the Stipulation such that the new rates can be implemented with billing statements rendered beginning on March 1, 2024. The purpose of my testimony is to:

- Describe the contents of the Stipulation and how it disposes of the issues; and
- Provide support for approving the Stipulation as in the public interest and resulting in just and reasonable rates.

III. DESCRIPTION OF THE STIPULATION

Q. PLEASE DESCRIBE THE PRINCIPAL PROVISIONS OF THE STIPULATION.

A. The Stipulation provides for a complete resolution of all issues presented in Docket No. 55034. The Parties have agreed that the terms of the Stipulation are fair and reasonable and in the public interest, and they have agreed to request prompt adoption of a final order based on the Stipulation and rates to be implemented on March 1, 2024. The key provisions of the Stipulation may be summarized as follows:

- TNMP's requested EECRF as filed will be adjusted to reduce the combined forecasted 2024 administration and research & development budget by \$75,000

Q. IS THE REDUCTION IN COMBINED FORECASTED ADMINISTRATION AND RESEARCH & DEVELOPMENT BUDGET BY \$75,000 IN THE PUBLIC INTEREST?

A. Yes. While TNMP disagrees with this requested adjustment, in order to avoid the time and expense of a full hearing on the merits and in order to reach a unanimous settlement, TNMP has agreed to the adjustment.

Q. WHEN IS TNMP REQUESTING THE COMMISSION MAKE RIDER EECRF EFFECTIVE?

A. Consistent with the requirement in 16 TAC § 25.182(d)(8), TNMP requests an effective date of March 1, 2024 for Rider EECRF. While this change will not be effective until March 1, 2024, the revenues collected from January 1, 2024, through December 31, 2024 will be applied to the 2024 EE program revenue requirement.

IV. CONCLUSIONS

Q. PLEASE SUMMARIZE YOUR TESTIMONY AND RECOMMENDATIONS.

A. TNMP request the Commission approved the Stipulation and make the adjusted Rider EECRF with an effective date of March 1, 2024, to meet a 5.45 MW goal.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.