



City Attorney's Office 2023 Electric & Gas Utility Report

Donald C. Davie, Assistant City Attorney

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Overview

1. City Jurisdiction over Electric & Gas Utilities
2. Rate Making Process
3. Electric Filings
4. Natural Gas Filings
5. Transmission Filings
6. Legislative Updates



Savings to Ratepayers

- Over \$300,000,000 since 2021
 - Electric: ≈\$130,000,000
 - Gas: ≈\$215,000,000

City Jurisdiction Over Utilities

City Original Jurisdiction

Electric : PURA §33.001

Natural Gas: GURA § 103.001

UTILITIES CODE

TITLE 2. PUBLIC UTILITY REGULATORY ACT

SUBTITLE B. ELECTRIC UTILITIES

CHAPTER 33. JURISDICTION AND POWERS OF MUNICIPALITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 33.001. MUNICIPAL JURISDICTION. (a) To provide fair, just, and reasonable rates and adequate and efficient services, the governing body of a municipality has exclusive original jurisdiction over the rates, operations, and services of an electric utility in areas in the municipality, subject to the limitations imposed by this title.

UTILITIES CODE

TITLE 3. GAS REGULATION

SUBTITLE A. GAS UTILITY REGULATORY ACT

CHAPTER 103. JURISDICTION AND POWERS OF MUNICIPALITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 103.001. MUNICIPAL JURISDICTION. To provide fair, just, and reasonable rates and adequate and efficient services, the governing body of a municipality has exclusive original jurisdiction over the rates, operations, and services of a gas utility within the municipality, subject to the limitations imposed by this subtitle, unless the municipality surrenders its jurisdiction to the railroad commission under Section [103.003](#).

Appellate & Commission Jurisdiction

- Electric: Public Utility Commission of Texas (PUCT or PUC)
- Gas: Railroad Commission of Texas (TRRC or RRC)
- Transmission: Federal Energy Regulatory Commission (FERC)



Getting to know the PUCT

- 1975: Public Utility Regulatory Act (PURA)
- Regulates the state's electric, water, and telecommunication utilities and implements respective legislation
- Five Commissioners – Appointed by Governor
- Mission: "*We protect customers, foster competition, and promote high quality infrastructure*"


Getting to know the PUCT

				
Peter Lake Chairman	Will McAdams Commissioner	Lori Cobos Commissioner	Jimmy Glotfelty Commissioner	Kathleen Jackson Commissioner
Term: April 12, 2021 – September 1, 2023	Term: April 1, 2021 – September 1, 2025	Term: June 17, 2021 – September 1, 2027	Term: August 6, 2021 – September 1, 2025	Term: April 12, 2021 – September 1, 2027

Getting to know the TRRC

- 1891: Established to prevent discrimination in railroad charges
- Regulates Oil and Gas industry, gas utilities, pipeline safety in LPG industry, and surface coal and uranium mining
- Three Commissioners – Elected
- Mission: *"Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans."*



Getting to know the TRRC

		
Wayne Christian Commissioner	Christi Craddick Chairman	Jim Wright Commissioner
Term: January 2, 2023 - January 2, 2029	Term: December 17, 2012 - January 6, 2025	Term: January 4, 2021 - January 1, 2027

Getting to know the FERC

- 1935: Federal Power Commission (FPC)
- 1977: FPC became FERC
- Regulates transmission and wholesale sale of electricity and natural gas in interstate commerce and regulates the transportation of oil by pipeline in interstate commerce
- Five Commissioners – Nominated by U.S. President and confirmed by U.S. Senate
- Mission: *"Assist consumers in obtaining reliable, safe, secure, and economically efficient energy services at a reasonable cost through appropriate regulatory and market means, and collaborative efforts."*

Getting to know the FERC

				
Willie L. Phillips Chairman	James Danly Commissioner	Allison Clements Commissioner	Marc C. Christie Commissioner	Vacant
Term: November 26, 2021 -June 30, 2026 Appointed by: President Biden	Term: February 12, 2020 – June 30, 2023 Appointed by: President Trump	Term: December 8, 2020 - June 30, 2024 Appointed by: President Trump	Term: January 4, 2021 – June 30, 2025 Appointed by: President Trump	

Rate Making Process

Company Establishes Revenue Requirement and Cost Allocation

1. Establish Revenue Requirement
2. Functionalization of Costs by Service Type
3. Classification of Costs
4. Allocation of Costs
5. Establish Rates in Tariff for each customer class

The Filing (Lawsuit)

1. Company files Intent to Change Rates with City and/or (if applicable) with regulatory authority
2. City Intervenes in Case and/or takes action to accept or reject proposed filing
3. Administrative Law Judge (ALJ) or State Office of Administrative Judge (SOAH ALJ) assigned
4. Experts retained and discovery exchanged
5. Hearing (trial) on the Merits
6. Proposal for Decision (PFD) issued by Judge
7. Commission consideration and Decision

Electric Filings

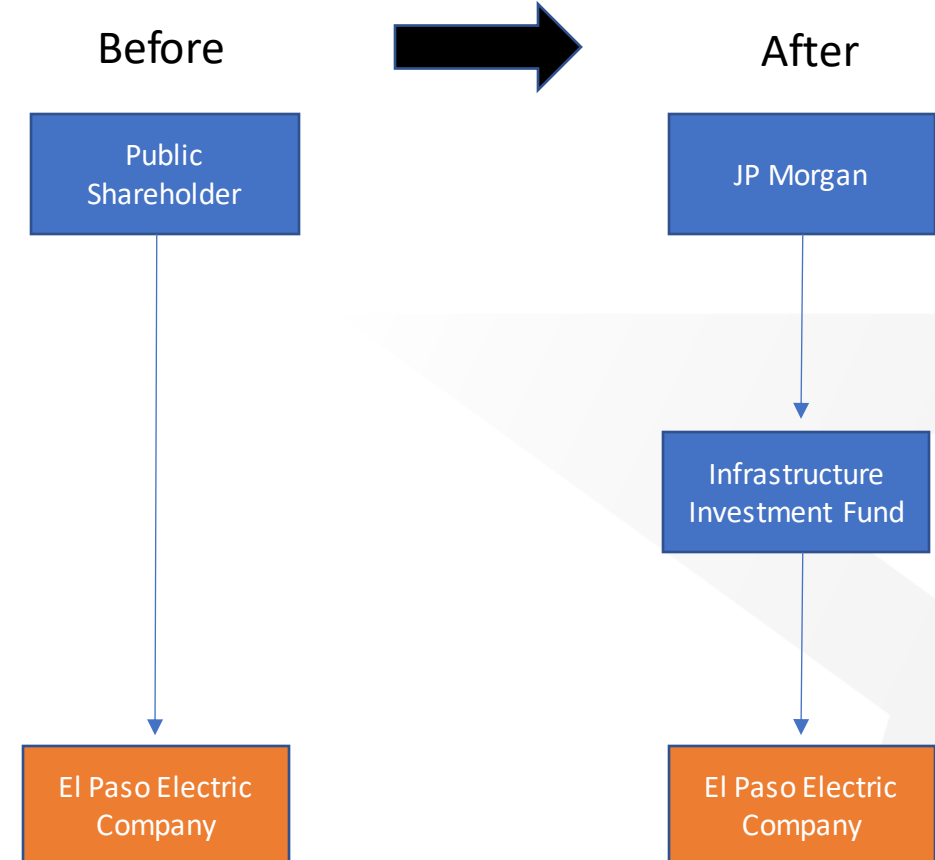
El Paso Electric

- Vertically Integrated Utility
- Franchise Agreement with City
 - Term: 2005 – 2060
 - Fee: 5.75% of gross revenue from Generation, Transmission, and Distribution in the City



El Paso Electric Merger

- \$4.3 Billion Acquisition
- \$80 Million to City Economic Development Fund
- \$750,000/year to City general fund for ten years



Filing Type

- Rate Case
- Fixed Fuel Factor (FFF)
- Fuel Reconciliation
- Distribution Cost Recovery Factor (DCRF)
- Transmission Cost Recovery Factor (TCRF)
- Generation Cost Recovery Factor (GCRF)
- Certificate of Convenience and Necessity (CCN)
- Energy Efficiency Cost Recovery Factor (ECRF)
- Advanced Metering System (AMS)
- Public Electric Vehicle Program (EV)
- Other filings

Rate Case

- **Purpose**: Change electric rates
- **When**: No later than every 4 years or "show cause" initiated by municipality.
- **Last**: June 2021 (DK 52195)
- **Outcome**: Settlement of \$13.5M increase
- **Next**: No later than September 2026
- **Savings**: ≈ \$30 Million/yr and over \$100,000 Million over 4 years

DOCKET NO. _____

APPLICATION OF EL PASO	§	BEFORE THE PUBLIC UTILITY
ELECTRIC COMPANY TO CHANGE	§	
RATES	§	COMMISSION OF TEXAS

**EL PASO ELECTRIC COMPANY'S PETITION
AND STATEMENT OF INTENT TO CHANGE RATES**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS AND MUNICIPAL REGULATORY AUTHORITIES:

El Paso Electric Company ("EPE" or "Company") files this Petition and Statement of Intent to change its base rates. EPE asks that the Public Utility Commission of Texas ("PUC" or "Commission") and municipal regulatory authorities approve a \$69.7 million Texas jurisdiction retail increase in base (non-fuel) and other miscellaneous revenues based on a test year ended December 31, 2020. EPE's request results in an average percent increase in base rates of 13.55%. The net increase to base revenues is \$41.8 million (7.79%) after accounting for the revenues EPE is already recovering through its Distribution Cost Recovery Factor ("DCRF") and its Transmission Cost Recovery Factor ("TCRF"). That is, the proposed increase in annual Texas retail revenues will be offset by setting EPE's current TCRF and DCRF to zero, a reduction of \$27.9 million.

EPE does not propose major revisions to its tariff, except as follows. EPE proposes to reopen and expand the existing interruptible rate tariff, to set customer and demand charges to be closer to full cost of service, and to shorten the summer period for standard rate tariffs, thereby modifying the cost differential between on-peak period and off-peak period for Time of Day rates. EPE also describes a new service offering it plans to propose to support the deployment of electric vehicle charging stations consistent with the program mandated in New Mexico.

To support its rate proposals, EPE has included the schedules required by the Commission's Electric Utility Rate Filing Package for Generating Utilities ("Rate Filing Package" or "RFP") and supporting testimony.

EPE proposes that the new rates be made effective 35 days after this Statement of Intent is filed, or July 6, 2021. If, however, the new rates are suspended for a period beyond 155 days

Certificate of Convenience and Necessity (CCN)

- **Purpose**: Obtain approval from PUC for new generation facility or transmission lines.
- **When**: Only when new infrastructure is required.
- **Last**: January 2023 (DK 54605)
- **Outcome**: Case Pending.
- **Next**: Unknown
- **Savings**: N/A - approve or disapprove only

DOCKET NO. **50277**

RECEIVED
BEFORE THE
2019 NOV 22 PM 1:46
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

APPLICATION OF EL PASO
ELECTRIC COMPANY TO AMEND
ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY
FOR AN ADDITIONAL
GENERATING UNIT AT THE
NEWMAN GENERATING STATION

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PETITION

El Paso Electric Company (EPE or Company) files this petition seeking authorization to amend its Certificate of Convenience and Necessity (CCN) to include one new approximately 228 Megawatt (MW) natural gas-fired unit to be constructed at EPE's existing Newman Generating Station in El Paso County and the City of El Paso. The proposed unit is called Newman Unit 6 (or Project). The new facility was selected through a competitive bidding process.¹ It is needed to serve growth in customer demand, to replace older and less efficient generators that EPE plans to retire in the next several years, and to help EPE meet its planning reserve margin. It can be operated as a peaking and load following generating resource. Newman Unit 6 is scheduled to be in service for the peak season of 2023.

In support, EPE respectfully shows as follows:

I. Request for Commission Approval No Later Than September 30, 2020 and for

Expedited Referral

EPE's goal is to complete Newman Unit 6 in time to meet demand during the 2023 summer peak season. In order to achieve that goal, EPE respectfully requests that an order granting CCN approval be issued no later than September 30, 2020. In addition, EPE requests expedited referral of this case to the State Office of Administrative Hearings to facilitate timely completion of this proceeding.

¹ That same bidding process also resulted in the selection of renewable resources through purchase power agreements.

Fuel Filings

- **Purpose:** Establish mechanism to collect fuel costs
- **Types:**
 - Fixed Fuel Factor
 - Fuel Reconciliation

Fixed Fuel Factor

- **Purpose**: Recover the costs for fuel and purchased power.
- **When**: 4 months after prior filing.
- **Last**: June 2022 (DK 53723)
- **Outcome**: PUC decision - \$10.88 increase to the avg. monthly residential bill.
- **Next**: Likely in 2023
- **Savings**: N/A - pass through cost

DOCKET NO. _____

PETITION OF EL PASO ELECTRIC COMPANY FOR AUTHORITY TO REVISE ITS FIXED FUEL FACTOR § PUBLIC UTILITY COMMISSION
§
§ OF TEXAS

**PETITION OF EL PASO ELECTRIC COMPANY FOR AUTHORITY
TO REVISE ITS FIXED FUEL FACTOR**

In accordance with 16 Tex. Admin. Code § 25.237(b)(2) (TAC), El Paso Electric Company (EPE or the Company) files this petition to revise its fixed fuel factor. If approved, EPE's request will increase its system fixed fuel factor by 41.68%. For the reasons explained below, EPE requests approval of its proposed fixed fuel factors on an interim basis, to become effective with the first billing cycle of the July 2022 billing month.

I. BUSINESS ADDRESS AND AUTHORIZED REPRESENTATIVES

EPE's business address and telephone number is 100 N. Stanton, El Paso, Texas 79901 and (915) 543-5970. The authorized representative for EPE in this proceeding is:

Nathaniel Castillo
Case Manager – Regulatory Case Management
El Paso Electric Company
100 N. Stanton Street
El Paso, Texas 79901
(915) 494-6784
(915) 521-4450 (fax)
nathaniel.castillo@epelectric.com

EPE's authorized legal representatives and designated recipients for service of pleadings and other documents are:

Bret J. Slocum
Duggins Wren Mann & Romero, LLP
P.O. Box 1149
Austin, Texas 78767
(512) 744-9300
(512) 744-9399 (fax)
bslocum@dwmrlaw.com

Fuel Reconciliation

- **Purpose**: Fuel expenses reconciled with fuel related revenue over 3 yr. period to determine over or under recovery amount.
- **When**: 6 months after end of 3 yr. reconciliation period.
- **Last**: September 2022 (DK 54142)
- **Outcome**: Current filing pending
- **Next**: No later than September 2025
- **Savings**: ≈ \$4.5M (previous filing)

DOCKET NO. _____

APPLICATION OF EL PASO ELECTRIC COMPANY TO RECONCILE FUEL COSTS § PUBLIC UTILITY COMMISSION OF TEXAS

PETITION

El Paso Electric Company (EPE or the Company) hereby requests reconciliation of its eligible fuel expenses and revenues for the period April 1, 2019, through March 31, 2022 (Reconciliation Period).

I. BUSINESS ADDRESS

EPE's business address and telephone number are 100 N. Stanton Street, El Paso, Texas 79901 and (915) 543-5711.

II. AUTHORIZED REPRESENTATIVES

The authorized representative for EPE in this proceeding is:

Tania Reichsfeld
Regulatory Case Manager
El Paso Electric Company
P.O. Box 982
El Paso, Texas 79960
Telephone: (915) 543-5727
Facsimile: (915) 521-4450
tania.reichsfeld@epelectric.com

EPE's authorized legal representatives are:

Rosanna Al-Hakeem
Attorney
El Paso Electric Company
P.O. Box 982
El Paso, Texas 79901
Telephone: (915) 521-4664
Facsimile: (915) 521-4412
rosanna.alhakeem@epelectric.com

Interim Filings

- **Purpose**: Collect on investments before a general rate case
- **When**: Anytime before a general rate case
- **Types**:
 - Generation Cost Recovery Factor
 - Transmission Cost Recovery Factor
 - Distribution Cost Recovery Factor

Distribution Cost Recovery Factor (DCRF)

- **Purpose**: Collect Investment for distribution-related infrastructure
- **When**: On or before Rate Case
- **Last**: September 2020 (DK 51328)
- **Outcome**: \$23M recovered by EPE
- **Next**: On or before next Rate Case
- **Savings**: ≈ \$700k annual reduction

PUC DOCKET NO. _____

APPLICATION OF EL PASO	§	PUBLIC UTILITY COMMISSION
ELECTRIC COMPANY TO AMEND	§	
ITS DISTRIBUTION COST	§	OF TEXAS
RECOVERY FACTOR	§	

APPLICATION OF EL PASO ELECTRIC COMPANY TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR

El Paso Electric Company (EPE or Company) files this Application to Amend its Distribution Cost Recovery Factor (DCRF) under Section 36.210 of the Public Utility Regulatory Act (PURA) and 16 Tex. Admin. Code (TAC) § 25.243. EPE asks that its regulatory authorities, including the Public Utility Commission of Texas (Commission) and applicable municipalities, approve EPE's proposed amended DCRF tariff.

In this Application, EPE proposes to amend its DCRF rider to include changes in its distribution invested capital, consistent with PURA § 36.210 and 16 TAC § 25.243. The period in which this invested capital was placed in service is October 1, 2016 (the day after the end of the test year in EPE's last base rate case, Docket No. 46831¹) through June 30, 2020. Invested capital from October 1, 2016 through December 31, 2018 was presented in EPE's last DCRF proceeding in Docket No. 49395.² Consequently, the incremental distribution invested capital that EPE seeks to include in its DCRF was placed in service during the period January 1, 2019, through June 30, 2020.

The proposed rider, adjusted for load growth, is designed to collect \$20,591,323 annually, or \$12,828,934 in incremental annual DCRF revenue beyond EPE's currently effective DCRF, from EPE's Texas retail customers.

I. JURISDICTION AND PARTIES

EPE is an electric utility, a public utility, and a utility, as those terms are defined in PURA §§ 11.004(1) and 31.002(6). EPE is subject to the Commission's jurisdiction under PURA. The Commission has jurisdiction over this matter under PURA §§ 14.001 and 36.210.

¹ Application of El Paso Electric Company to Change Rates, Docket No. 46831, Order (Dec. 18, 2017)

² Application of El Paso Electric Company for a Distribution Cost Recovery Factor, Docket No. 49395, Order (Sept. 27, 2019)

Transmission Cost Recovery Factor (TCRF)

- **Purpose**: Recovery of reasonable and necessary costs for transmission infrastructure improvements.
- **When**: At least once every 3 yrs.
- **Last**: January 2019 (DK 49148)
- **Outcome**: Settlement for \$7.5M or \$0.97 increase to the avg. monthly bill.
- **Next**: Unknown
- **Savings**: ≈ \$500k

PUC DOCKET NO. _____

APPLICATION OF EL PASO	§	PUBLIC UTILITY COMMISSION
ELECTRIC COMPANY FOR	§	
APPROVAL OF A TRANSMISSION	§	OF TEXAS
COST RECOVERY FACTOR	§	

EL PASO ELECTRIC COMPANY'S STATEMENT OF INTENT AND APPLICATION FOR APPROVAL OF A TRANSMISSION COST RECOVERY FACTOR

El Paso Electric Company ("EPE" or "Company") files this Statement of Intent and Application for Approval of a Transmission Cost Recovery Factor ("TCRF") under section 36.209 of the Public Utility Regulatory Act (PURA)¹ and 16 Tex. Admin. Code § 25.239 (TAC). The TCRF will recover EPE's reasonable and necessary costs for transmission infrastructure improvements. This is EPE's first filing for TCRF approval.

I. JURISDICTION AND PARTIES

EPE is an electric utility, a public utility, and a utility, as those terms are defined in PURA §§ 11.004(1) and 31.002(6) and is subject to the Commission's jurisdiction under PURA. The Public Utility Commission of Texas ("Commission") has jurisdiction over this matter under PURA §§ 14.001 and 36.209.

EPE serves retail electric customers in Texas and New Mexico. This Commission regulates EPE's Texas retail operations. The Federal Energy Regulatory Commission regulates EPE's wholesale power sales and transmission of electricity in interstate commerce. Under PURA § 36.209, the Commission has exclusive original jurisdiction over this Application both as to environs customers and as to customers within the corporate limits of municipalities within EPE's Texas retail service area.

The proposed effective date for the requested rate change is 35 days from the date this Application is filed.

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-58.302, §§ 59.001-66.016 (PURA).

Generation Cost Recovery Factor (GCRF)

- **Purpose**: To recover certain generation invested capital for a discrete generation facility, outside of a base-rate proceeding
- **When**: as needed; electric utility may file an application for a GCRR before the electric utility places a power generation facility in service
- **Last**: February 2023
- **Outcome**: Case still pending
- **Next**: Unknown
- **Savings**: Case still pending

- **Purpose**: Recovery of costs of energy efficiency programs.
- **When**: Annually (May)
- **Last**: May 2022 (DK 53551)
- **Outcome**: Settlement for \$7.9M or \$0.18 increase to the avg. monthly bill.
- **Next**: May 2023
- **Savings**: \approx \$180K

- **Purpose**: Recovery of costs of energy efficiency programs.
- **When**: Annually (May)
- **Last**: May 2022 (DK 53551)
- **Outcome**: Settlement for \$7.9M or \$0.18 increase to the avg. monthly bill.
- **Next**: May 2023
- **Savings**: \approx \$180K

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

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

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

El Paso Electric Company (EPE or Company) submits this Application for Approval to Revise its Energy Efficiency Cost Recovery Factor (EECRF) and Request to Establish Revised Cost Caps (Application). In support thereof, EPE respectfully shows the following:

I. BUSINESS ADDRESS AND AUTHORIZED REPRESENTATIVES

EPE's business address is 100 N. Stanton Street, El Paso, Texas 79901. EPE's authorized representative for the purpose of receiving service of documents is:

Nathaniel Castillo
El Paso Electric Company
PO Box 982
El Paso, Texas 79960
(915) 351-4279
(915) 521-4450 (fax)
nathaniel.castillo@epelectric.com

EPE's authorized legal representatives and designated recipients for service of pleadings and other documents are:

Bret J. Slocum
Duggins Wren Mann & Romero, LLP
P.O. Box 1149
Austin, Texas 78767
(512) 744-9300
(512) 744-9399 (fax)
bslocum@dwmlaw.com

Advanced Metering System (AMS)

- **Purpose**: Install Smart Meters and Recover Cost
- **When**: One time – Annual Update
- **Last**: April 2021 (DK 52040)
- **Outcome**: \$110M total over 12 years (\$9.2M a year) - Surcharge: \$2.03 for first five years and \$1.98 for next seven years
- **Next**: N/A - Yearly update of progress
- **Savings**: ≈ \$15.6M

PUCT DOCKET NO. _____

APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL OF ADVANCED METERING SYSTEM (AMS) DEPLOYMENT PLAN, AMS SURCHARGE, AND NON-STANDARD METERING SERVICE FEES	§ § § § § §	BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS
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APPLICATION FOR APPROVAL OF ADVANCED METERING SYSTEM (AMS) DEPLOYMENT PLAN, AMS SURCHARGE, AND NON-STANDARD METERING SERVICE FEES

Pursuant to PURA¹ §§ 39.5521 and 16 Tex. Admin. Code ("TAC") §§ 25.130 and 25.133, El Paso Electric Company ("EPE," or the "Company") files this Application for Approval of its Advanced Metering System ("AMS") Deployment Plan, a new proposed Schedule No. AMS – Advanced Metering System Surcharge ("Schedule No. AMS"), and Non-Standard Metering Service Fees under proposed revisions to Schedule No. 99 – Miscellaneous Service Charges ("Schedule No. 99"). In support, EPE respectfully shows as follows:

I. BUSINESS ADDRESS AND AUTHORIZED REPRESENTATIVES

EPE's business address and telephone number are 100 N. Stanton, El Paso, Texas 79901 and (915) 543-5970. The authorized representative for EPE in this proceeding is:

Linda Pleasant
Regulatory Case Manager
El Paso Electric Company
P.O. Box 982
El Paso, Texas 79960
(915) 543-5841
(915) 521-4450 (fax)
linda.pleasant@epelectric.com

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016 ("PURA").

Public Electric Vehicle Program (EV)

- **Purpose**: construct public electric vehicle charging stations
- **When**: as needed when constructing EV charging stations
- **Last**: October 2022
- **Outcome**: Pilot program approved by CC on December 13, 2022
- **Next**: April 1, 2024

REQUEST OF EL PASO ELECTRIC
COMPANY FOR APPROVAL OF NEW
RATE SCHEDULE NO. PEVC-A,
PUBLIC ELECTRIC VEHICLE
CHARGING RATE, AS A PILOT
PROGRAM

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CITY
OF
EL PASO

PETITION

TO THE HONORABLE MAYOR AND COUNCIL OF THE CITY OF EL PASO, TEXAS:

El Paso Electric Company (“EPE” or “the Company”) files this Request for Approval of new Rate Schedule No. PEVC-A, Public Electric Vehicle Charging Rate, as a pilot program. This proposed tariff would allow EPE to recover the costs of providing Electric Vehicle (“EV”) charging services within the municipal limits of the City of El Paso (“the City”) from persons using Company-owned charging stations. As a pilot program, the Company would limit the program to no more than 20 charging stations. EPE is filing this request at this time because it recently reached agreement with City staff regarding the terms for providing such services within the City, as described in greater detail below.

The proposed rate schedule would not constitute a “major change” in rates under the Public Utility Regulatory Act (“PURA”)¹ § 36.101. EPE’s request is described in more detail below.

I. Business Address/Authorized Representatives

EPE’s business address and telephone number are 100 N. Stanton, El Paso, Texas 79901 and (915) 543-5711.

The Company’s authorized representative is:

Tania Reichsfeld
El Paso Electric Company
PO Box 982
El Paso, Texas 79960
Telephone: (915) 543-5727
Tania.reichsfeld@epelectric.com

The Company’s authorized legal representative is:

¹ TEX. UTIL. CODE ANN. §§ 11.001-66.016.

Military Base Discount Recovery Factor (MBDRF)

- **Purpose**: 20% Discount to Fort Bliss; charged to other classes on an even percentage basis
- **When**: annually on or around September of each year
- **Last**: July 2022 / Dkt 53833
- **Outcome**: PUC approved surcharge increased avg. residential bill by \$0.02.
- **Next**: September 2023

TARIFF CONTROL NO. _____

PETITION OF EL PASO	§	
ELECTRIC COMPANY FOR	§	PUBLIC UTILITY COMMISSION
APPROVAL TO REVISE MILITARY	§	
BASE DISCOUNT RECOVERY	§	OF TEXAS
FACTOR TARIFF PURSUANT TO	§	
PURA § 36.354	§	

PETITION

El Paso Electric Company (EPE or the Company) files this, its petition for Approval to Revise its Military Base Discount Recovery Factor (MBDRF) tariff pursuant to PURA § 36.354¹ (Petition). In support thereof, EPE would show the following:

I. BUSINESS ADDRESS AND AUTHORIZED REPRESENTATIVES

EPE's business address is 100 N. Stanton Street, El Paso, Texas 79901. EPE's authorized representative for the purpose of receiving service of documents is:

Nathaniel S. Castillo
Regulatory Case Manager
El Paso Electric Company
100 N. Stanton
El Paso, Texas 79901
Telephone: (915) 494-6784
Facsimile: (915) 521-4450
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Tania Reichsfeld
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Facsimile: (915) 521-4450
tania.reichsfeld@epelectric.com

EPE's authorized legal representatives are:

Bret J. Slocum
Duggins Wren Mann & Romero, LLP
P.O. Box 1149
Austin, Texas 78767

Matthew K. Behrens
Senior Attorney
El Paso Electric Company
P.O. Box 982

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (PURA).

Other Filings

- Monthly Transmission Construction Progress Report
- Service Quality Report
- Avoided Cost Availability
- Dividend Distribution Policy Quarterly Report
- Texas Tax Credit Factor
- PV Performance Data
- Generating Capacity Report
- Distribution Generation Interconnection Report
- CEP Franchise Agreement Financial
- Meter Tampering Report
- Energy Efficiency Plan and Report
- State Agency Report
- Infrastructure and Maintenance Report
- Storm Hardening Report
- Vegetation Management
- Line Inspection and Training Report
- Earnings Monitoring Report
- Payment and Compensation Report
- Affiliate Activity Report
- Merger Annual Compliance
- TX Community Solar Annual Report

Natural Gas Filings

Texas Gas Service

- Franchise Agreement with City
 - Term: 2030
 - Rate: 5% of Gross Revenues



Filing Type

- Rate Case
- Interim Rate Adjustment (GRIP)
- Winter Storm Uri Gas Securitization
- Cost of Gas Reconciliation
- Pipeline Integrity

Rate Case

- **Purpose:** Increase Gas Rates
- **When:** On or before 5th anniversary (+180 days) of last rate case
- **Last:** June 2022 (DK 9896)
- **Outcome:** Trial on the merits completed and order issued by RRC
- **Next:** 2028
- **Savings:** ≈ \$5.6M/yr to residential class or \$34M over next six years

CASE NO. 00009896

STATEMENT OF INTENT OF TEXAS	§	
GAS SERVICE COMPANY, A	§	
DIVISION OF ONE GAS, INC., TO	§	BEFORE THE
CHANGE GAS UTILITY RATES	§	
WITHIN THE UNINCORPORATED	§	RAILROAD COMMISSION
AREAS OF THE WEST TEXAS	§	
SERVICE AREA, THE NORTH TEXAS	§	OF TEXAS
SERVICE AREA, AND THE BORGER	§	
SKELLYTOWN SERVICE AREA	§	

TEXAS GAS SERVICE COMPANY'S STATEMENT OF INTENT TO CHANGE GAS
UTILITY RATES WITHIN THE UNINCORPORATED AREAS OF THE
WEST TEXAS SERVICE AREA, NORTH TEXAS SERVICE AREA AND THE
BORGER SKELLYTOWN SERVICE AREA

Texas Gas Service Company ("TGS" or the "Company"), a Division of ONE Gas, Inc. ("ONE Gas") and a "gas utility" under Texas Utilities Code § 101.003(7), respectfully files this Statement of Intent, pursuant to Subchapter C of Chapter 104 of the Texas Utilities Code and the rules of the Railroad Commission of Texas ("Commission"), to change gas utility rates within the unincorporated areas¹ of the West Texas Service Area ("WTSA"), North Texas Service Area ("NTSA"), and Borger Skellytown Service Area ("BSSA"). In addition to requesting a change in rates, the Company is proposing to consolidate the WTSA, NTSA, and BSSA into a new service area called the West North Service Area ("WNSA"). Consistent with its request to consolidate the WTSA, NTSA, and BSSA, the Company's proposed rates were developed based on the cost of providing service to the entire proposed WNSA. Contemporaneously with this filing, TGS is also filing Statements of Intent to Change Rates with the municipalities with original jurisdiction in the BSSA and the WTSA.²

¹ This pleading uses the terms "unincorporated areas" and "environs" interchangeably.

² With regard to cities within the NTSA, the Company's consolidation request will result in an overall rate reduction. To facilitate uniform rate implementation within the NTSA and other service areas affected by the consolidation

Interim Rate Adjustment (GRIP)

- **Purpose**: GRIP statute allows for an annual interim adjustment of rates to reflect changes in the value of capital invested each year;
- **When**: Annual
- **Last**: March 2023
- **Outcome**: CC Suspended Rates
- **Next**: March 2024
- **Savings**: ≈ \$500,000

GAS UTILITIES CASE NO. 00008927

TEXAS GAS SERVICE COMPANY, A	§	
DIVISION OF ONE GAS, INC.'S TEST	§	BEFORE THE
YEAR 2021 GAS RELIABILITY	§	
INFRASTRUCTURE PROGRAM INTERIM	§	RAILROAD COMMISSION
RATE ADJUSTMENT FOR THE	§	
UNINCORPORATED AREAS OF THE	§	
WEST TEXAS SERVICE AREA	§	OF TEXAS

TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC.'S
TEST YEAR 2021 GAS RELIABILITY INFRASTRUCTURE PROGRAM
INTERIM RATE ADJUSTMENT FOR THE UNINCORPORATED AREAS
OF THE WEST TEXAS SERVICE AREA

TO THE HONORABLE COMMISSION:

COMES NOW Texas Gas Service Company, a Division of ONE Gas, Inc., ("TGS" or the "Company"), and, in accordance with Section 104.301 of the Texas Utilities Code and Railroad Commission Rule 7.7101, files its Test Year 2021 Gas Reliability Infrastructure Program Interim Rate Adjustment ("IRA") for the unincorporated areas of the Company's West Texas Service Area ("WTSA"), and respectfully shows as follows:

I. INTRODUCTION

On November 15, 2016, the Commission approved the Final Order in GUD No. 10506, establishing new rates for the environs areas of the WTSA. The test year in that case ended September 30, 2015 with capital investment updated for known and measurable changes through December 31, 2015. This filing represents the sixth IRA for the WTSA environs since the rate case and includes capital investment made in calendar year 2021.

The WTSA includes the incorporated areas and environs of Andrews, Anthony, Barstow, Crane, Clint, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Peyote, San Elizario, Socorro, Thorntonville, Vinton, Wickett, and Wink, Texas and the unincorporated towns of Fabens and Canutillo, Texas.¹ The Company serves approximately 25,223 residential, 911 commercial, 121 public authority, 4 industrial transportation and 2 water pumping customers in the unincorporated areas of the WTSA.

¹ This pleading uses the terms "unincorporated areas" and "environs" interchangeably.

Pipeline Integrity

- **Purpose**: Enables company to recover the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the company during the prior year
- **When**: Annual; on or before February 21st of each calendar year
- **Last**: February 2021 / Dk 10506
- **Outcome**: 0.000028 rate surcharge implemented to recover total testing expenses; \$53,059 recovery
- **Next**: February 2023

PIPELINE INTEGRITY TESTING (PIT) RIDER

PURPOSE

The purpose of this Pipeline Integrity Testing Rider is to promote the public interest in pipeline safety by enabling the Company to recover the reasonable and necessary Pipeline Integrity Safety Testing expenses incurred by the Company during the prior year (including contractor costs but excluding the labor cost of TGS employees. These legally mandated operating and maintenance expenses shall be recovered through a separate monthly volumetric charge (the Pipeline Integrity Testing or "PIT" Surcharge) that shall be shown as a separate line item on the customer's monthly bill and calculated for each customer class as described below. Capital expenditures associated with the Pipeline Integrity Program shall continue to be recovered through base rates and any interim rate adjustments implemented pursuant to Section 104.301 of the Gas Utility Regulatory Act.

APPLICABILITY

This Rider shall be applied to all gas sales and transportation customers within the service territory designated below, except special contract customers.

TERRITORY

This Rider shall apply throughout the Company's West Texas Service Area ("WTSA"), both within the incorporated municipal limits of Andrews, Anthony, Barstow, Clint, Crane, Dell City, El Paso, Horizon City, McCamey, Monahans, Pecos, Pyote, San Elizario, Socorro, Thortonville, Wickett, Wink and Vinton, Texas (collectively, the "WTSA Cities"), and in the unincorporated areas (environs) adjacent to the WTSA Cities.

QUALIFYING EXPENSES

This Rider applies only to the legally mandated safety testing of the Company's transmission lines in the WTSA under the Pipeline Integrity Safety Testing Program. The operating and maintenance expense items that qualify for recovery under this Rider shall include the contractor costs associated with land and leak survey, permitting, and job order preparation and completion; the clearing of right-of-way; any needed notifications to adjacent businesses and residences; traffic control equipment and personnel; Direct Current Voltage Gradient ("DCVG"), Close Interval ("CI"), and other surveys to ensure the integrity of the pipeline system; any required rigid

Initial Rate

Meters Read On and After
October 5, 2016 (All Areas Except
Incorporated Areas Of Andrews,
Barstow, Crane McCamey,
Monahans, Pecos, Pyote,
Thortonville, Wickett, Wink)
December 1, 2016 (Andrews,
Barstow, Crane McCamey,
Monahans, Pecos, Pyote,
Thortonville, Wickett, Wink)

Winter Storm URI Gas Securitization

- **Purpose**: Participate in securitization financing to recover extraordinary costs TGS experienced as the result of Winter Storm Uri.
- **When**: one-off filing; necessitated by winter storm Uri
- **Last**: July 30, 2021 / Case No. 00007069/ PLM 21-1008-175
- **Outcome**: Excluded COEP from majority of recovery. TGS reimbursement to the city for \$75,419.94
- **Next**: n/a
- **Savings**: ≈ \$180M

CASE NO. 00007069

APPLICATION OF TEXAS GAS	§	BEFORE THE
SERVICE COMPANY, A DIVISION OF	§	
ONE GAS, INC., FOR CUSTOMER	§	RAILROAD COMMISSION
RATE RELIEF RELATED TO WINTER	§	
STORM URI AND A REGULATORY	§	OF TEXAS
ASSET DETERMINATION	§	

APPLICATION OF TEXAS GAS SERVICE COMPANY FOR CUSTOMER RATE RELIEF AND A REGULATORY ASSET DETERMINATION

Texas Gas Service Company (“TGS” or “Company”), a Division of ONE Gas, Inc., operates in Texas as a “gas utility” under Texas Utilities Code §§ 101.003(7) and 104.362(12). TGS timely files this Application for Customer Rate Relief and a Regulatory Asset Determination (“Application”) on July 30, 2021, as required by the Railroad Commission of Texas (“Commission”) Notice to Gas Utilities issued on June 17, 2021 (the “June Notice”) and as required by Texas Utilities Code § 104.365(b). The Company’s Application indicates its desire to participate in securitization financing to provide customer rate relief by extending the period over which the Regulatory Asset balance would otherwise be recovered and thereby reducing the estimated monthly costs to customers related to the extraordinary gas procurement costs that TGS incurred to secure gas supply and to provide service during Winter Storm Uri.

I. INTRODUCTION

Winter Storm Uri was a major weather event that affected a large portion of the United States, including Texas, for several days in February 2021. The circumstances with the weather conditions across the state were so extreme that Governor Greg Abbott issued a Disaster Declaration on February 12, 2021, for all 254 counties in Texas.¹ Austin received the heaviest snowfall it had experienced in over 70 years; Galveston was subject to its first-ever hard freeze

¹ Governor Abbott Issues Disaster Declaration In Response To Severe Winter Weather In Texas (Feb. 12, 2021) available at <https://gov.texas.gov/news/post/governor-abbott-issues-disaster-declaration-in-response-to-severe-winter-weather-in-texas>.

Transmission Filings

- Governed by the Federal Energy Regulatory Commission



Filing Type

- Open Access Transmission Tariff
- Annual Transmission Revenue Requirement & FERC Form-1

Open Access Transmission Tariff (OATT)

- **Purpose**: Recover Transmission Related Expenses on an annual basis. The Formula Rate Template and Protocols establish a forward-looking formula rate that recovers projected transmission costs on a yearly basis, with a true-up to ensure that only actual costs are collected
- **When**: One-Off but updated on annual basis
- **Last**: October 29, 2021 (DK ER22-282)
- **Outcome**: Still negotiating settlement. Outcome on or before end of 2023
- **Next**: April 18 after conclusion of case
- **Savings**: Case still pending



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October 29, 2021

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: *El Paso Electric Company*, Docket No. ER22-____-000
Revisions to Open Access Transmission Tariff

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act (“FPA”),¹ section 35.13 of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) regulations,² and Order No. 714,³ El Paso Electric Company (“EPE”) hereby submits for filing revisions to its Open Access Transmission Tariff (“OATT”). These revisions include a formula rate template (“Template” or “Formula Rate Template”) and implementation protocols (“Protocols”) (collectively, “Formula Rate”) to determine and recover the costs of EPE’s investment in transmission facilities. The Formula Rate will be used to develop, on a forward-looking basis, EPE’s annual transmission revenue requirement (“ATRR”), from which rates for network integration transmission service, point-to-point transmission service (“PTP Service”), and Schedule 1 (Scheduling, System Control and Dispatch) service will be derived.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.13.

³ *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008), *final rule*, Order No. 714-A, 147 FERC ¶ 61,115 (2014).

Legislative Updates

The Texas 88th Legislature Session: Utility Legislation

- SB 1016 – Incentive Compensation
- SB 1015/SB 1291 – Distribution Cost Recovery Factor
- SB 1002 – EV Charging Stations
- SB30/HB1 – Winter Storm Uri Costs

MISSION



Deliver exceptional services to support a high quality of life and place for our community

VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



VALUES

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople