

NEW MEXICO
PUBLIC REGULATION
COMMISSION
FILED

Melanie Sandoval
Bureau Chief – Records
Public Regulation Commission
1120 Paseo De Peralta
PERA Building
Santa Fe, NM 87501

2015 SEP 30 PM 1 55

September 29, 2015

Dear Ms. Sandoval,

Enclosed please find my Direct Testimony and Certificate of Service related to Case No 15-00127-UT. Please file and distribute appropriately. Also, please return to me in the enclosed self addressed envelope, a time stamped copy of the filing.

Thank you.



Merrie Lee Soules
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BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

2015 SEP 30 PM 1 55

Case No. 15-00127-UT

IN THE MATTER OF THE APPLICATION)
OF EL PASO ELECTRIC COMPANY FOR)
REVISION OF ITS RETAIL ELECTRIC)
RATES PURSUANT TO ADVICE NOTICE)
NO. 236)
EL PASO ELECTRIC COMPANY,)
Applicant.)
_____)

**DIRECT TESTIMONY
OF
MERRIE LEE SOULES**

SEPTEMBER 29, 2015

1 **Q. Please state your name and address.**

2 A. My name is Merrie Lee Soules. I reside at 6760 Bright View Road, Las Cruces,
3 New Mexico 88007.

4

5 **Q. Please describe your professional experience.**

6 A. I was employed for 30 years by General Motors and then Delphi Corporation
7 when my Division was spun off by GM in the late 90's. I was considered an
8 executive for over 20 years with the titles of, among others, Chief Engineer,
9 Director Product Planning, and Purchasing Director, which was the responsibility
10 I had at the time of my retirement in 2007. Since then, I have worked
11 for various contractors at the White Sands Missile Range, most recently for Trax
12 International as the Quality Manager. In 2015, I was employed by the State of
13 New Mexico as an Analyst for the House of Representatives. I supported the
14 House Business and Employment Committee and the House Energy,
15 Environment, and Natural Resources Committee.

16

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

18 A. I received a Master of Business Administration degree from the Harvard Business
19 School in 1983. I received a Bachelor of Electrical Engineering from the
20 Cleveland State University in 1977.

21

22 **Q. Have you previously testified before the Commission?**

23 A. Yes. I have filed direct testimony in Case No. 15-00117-UT, Case No. 15-

1 00099-UT, and Case No. 15-00280 before the New Mexico Public Regulation
2 Commission.

3

4 **Q. Who are you representing in this case?**

5 A. I am representing myself as a resident of Las Cruces, New Mexico, and a
6 customer of El Paso Electric (“EPE” or “Company”).

7

8 **Q. What is the purpose of your testimony in this case?**

9 A. On May 11, 2015, EPE filed an application seeking approval for revision of its
10 retail electric rates. I will offer my observations regarding El Paso Electric
11 Company’s application. I will present my recommendations to the Commission.

12

13 **Q. Please summarize your testimony and recommendations.**

14 A. EPE has asked the Commission to authorize an increase of \$8.592M in its
15 non-fuel base rates. EPE’s filing is based on a December 31, 2014 Base Period,
16 and includes adjustments for the Test Year Period. These proposed adjustments
17 include the addition to plant in service (and rate base) of Montana Power Station
18 (MPS) Units 1 and 2. The requested additions would increase rate base and
19 Operations and Maintenance (O&M) expense for MPS Units 1 and 2. I
20 recommend the Commission decline to include MPS Unit 2 in the rate base and
21 decline to adjust the Base Period O&M costs for O&M related to MPS Unit 2.

22

1 EPE has asked the Commission to authorize a new “Partial Requirements”
2 residential rate class. I recommend the Commission decline to approve this
3 separate rate class for residential distributed generation (DG) customers.
4

5 I recommend that the changes proposed to Rate. No 29, Noticed Interruptible
6 Service, which would result in an average increase of 12.3% for current
7 interruptible service customers, be denied by the Commission. Instead, I
8 recommend the Commission require EPE to open this rate to new customers and
9 to actively seek to enroll customers in this rate for at least 88 MW of interruptible
10 service as soon as possible with the objective of achieving 100 MW of
11 interruptible service by 2023.
12

13 I recommend the Commission disallow EPE’s proposed Pilot Demand Response
14 Program. I further recommend the Commission approve, as part of this rate case,
15 an “Energy Storage, Time of Use, with Curtailment” (STOUC) rate for residential
16 customers and a STOUC rate for commercial customers.
17

18 I will share my observations regarding EPE’s requests and I will clarify my
19 recommendations.
20

21 **Q. Please explain why the Base Period should not be adjusted to treat Montana**
22 **Generating Station Unit 2 as an addition to plant in service.**

23 **A. Montana Generating Station Unit 2 is not providing the benefits to customers that**

1 were intended and represented in its CCN proceeding. It is providing very little
2 benefit to customers at all, and any energy it provides would be more cost
3 effective for customers if procured as purchased power.
4

5 In its application for a Certificate of Public Convenience and Necessity (CCN),
6 Case No. 12-00137-UT, filed with the New Mexico Public Regulation
7 Commission on May 2, 2012, Ricardo Acosta claims that “the Montana Units 1
8 and 2 will be used mostly for their peaking capability and heat rate and are
9 expected to operate at approximately a 40 percent capacity factor” (Direct
10 Testimony of Ricardo Acosta, Page 30, Lines 16 and 17, Case No. 12-00137-UT).

11 There is an obvious contradiction here between “used mostly for their peaking
12 capability” and “expected to operate at approximately a 40 percent capacity
13 factor.” Nonetheless, in its various financial representations, EPE used the 40
14 percent capacity factor to represent the levelized cost for Montana Units 1 and 2
15 as \$106.29/Mwh. The 40 percent capacity factor assumption was also required to
16 justify the statement “fuel and purchased power costs are expected to decline
17 approximately \$9.8 million in 2016, the first full year of operation for both units
18 of which \$2.3 million is allocable to New Mexico customers” (Direct Testimony
19 of Evan D. Evans, Page 17, Lines 20-22, Case No. 12-00137-UT).

20
21 EPE was apparently quite aware at the time of the filing of Case No.
22 12-00137-UT making application for the CCN for Montana Units 1 and 2, that the
23 40 percent capacity factor was a misrepresentation. In approximately the same

1 time frame (summer of 2012), EPE filed its 2012 Integrated Resource Plan (IRP).
2 In Attachment A, Table A-01(a-e), of its 2012 IRP, EPE provides forecasts of
3 capacity factors for its various generating resources. While it did not forecast
4 capacity factors for Montana Units 1 and 2, it did forecast capacity factors for Rio
5 Grande 9 for the period from 2013 thru 2031 (Page 7). Rio Grande 9 is the same
6 LMS100 generator as the Montana Units 1 and 2 with the same operating
7 characteristics. The highest capacity factor represented was 0.23% with the
8 average, over the 19 years represented, being 0.067%. It is reasonable to expect
9 that 2 additional, essentially identical, generating units (Montana Units 1 and 2)
10 would have similar low capacity factors. In its recently filed 2015 IRP, EPE
11 includes a similar Table in its 2015 IRP which it filed with the Commission on
12 July 16, 2015. Table A-01f of EPE's 2015 IRP contains forecasts for MPS Unit
13 2. The highest capacity factor forecasted in the period from 2016 (the first full
14 year of operation) through 2034 (a comparable 19 year period as the previous
15 discussion of Rio Grande 9) was 4.67% with the average being 1.85%. This is an
16 order of magnitude away from the "approximately 40% capacity factor"
17 represented in the CCN proceedings and clearly negates the statement "all units
18 have been providing the same benefits to customers that were intended in their
19 CCN proceedings" (Direct Testimony of Andres Ramirez, Page 60, Lines 18-19,
20 Case No. 15-0127-UT).

21
22 Another benefit to customers represented in the 2012 CCN proceeding (Case No.
23 12-00137-UT) was that "the Montana Units 1 and 2 will fully cover the loss of

1 approximately 121 MW due to the anticipated retirement of Rio Grande 6 and
2 Newman Unit 2. These unit retirements are currently scheduled to be completed
3 by the end of December 2015” (Direct Testimony of Evan D. Evans, Page 5,
4 Lines 23-24, and Page 6, Lines 1-2, Case No. 12-00137-UT). Rio Grande 6 is a 45
5 MW gas generation unit that had been forecasted to be retired as of December,
6 2014. Newman 2 is a 76 MW gas generation unit that had been forecasted to be
7 retired as of December 2015. But this is not the current plan.

8
9 Rio Grande 6 was in regular operation through March, 2015. At that time, EPE
10 changed its status to “Inactive, Reserve.” EPE also improperly removed the 45
11 MW capacity of Rio Grande 6 from their Loads and Resources table. According
12 to New Mexico statute “No utility shall abandon all or any portion of its facilities
13 subject to the jurisdiction of the commission, or any service rendered by means of
14 such facilities, without first obtaining the permission and approval of the
15 commission” (NMSA 62-9-5). EPE has not sought such “permission and
16 approval” from the New Mexico Public Regulation Commission. Rio Grande 6
17 continues to operate and provide electricity. In response to the City of Las Cruces’
18 2nd set of interrogatories related to this rate case (Case No. 15-00127-UT, CLC
19 2-7 A), EPE says "It should be noted, Rio Grande Unit 6 has been in operation
20 during July 2015 servicing our customers."

21
22 Rio Grande 6 is also still being treated as a system resource by EPE in this rate
23 case filing. Rio Grande 6 was clearly part of the December 31 2014 Base Period

1 and EPE asked for no adjustment related to Rio Grande 6 for the Test Year
2 Period. Therefore, O&M expense and depreciation expense are still in the revenue
3 requirement calculations, as well as Rio Grande 6 still being included in rate base.
4 Until EPE applies to the Commission for permission and approval to abandon Rio
5 Grande 6, it is still 45 MW of capacity available to serve EPE's New Mexico
6 customers. Together with 76 MW of capacity at Newman Unit 2, EPE has 121
7 MW of available capacity that it did not forecast and MPS Unit 2 is unnecessary.

8
9 The Commission is charged with determining if a facility is "used and useful" as
10 the basis for ratemaking treatment. While EPE has "used" MPS Unit 2 to generate
11 electricity, it is somewhat similar to acquiring a shiny new toy. That use was
12 solely to try out the new generator with all of its impressive capability, not
13 because of a lack of other options for generating that electricity at a lower cost to
14 customers. MPS Unit 2 is not "useful" to the overall system and its customers
15 because EPE has more than enough existing capacity to provide reliable
16 electricity to its customers without MPS Unit 2.

17
18 **Q. What is your recommendation to the Commission regarding Montana Power**
19 **Station Unit 2?**

20 **A.** "EPE is requesting the total amount of \$206,195,259 for MPS Units 1 and 2 and
21 Common be included in rate base" (Direct Testimony of Andres Ramirez, Page
22 41, Lines 13-14). EPE has also requested an "adjustment of approximately \$3.7
23 million to include the incremental cost of O&M for the MPS Units 1 and 2"

1 (Direct Testimony of Andres Ramirez, Page 55, Lines 16-17). I respectfully
2 recommend that the Commission decline to grant ratemaking treatment for MPS
3 Unit 2; that the Commission decline to include \$103 million ($1/2 \times \$206,195,259$
4 for MPS Units 1 and 2) in adjustment to rate base; and that the Commission
5 decline to include \$1.85 million ($1/2 \times \3.7 million incremental cost of O&M for
6 the MPS Units 1 and 2) of incremental O&M expense that has been requested as
7 adjustments for the Test Year Period for Montana Power Station Unit 2.

8
9 **Q. Please explain why you recommend the Commission decline to approve the**
10 **Partial Requirements Service Rate for residential distributed generation**
11 **(DG) customers.**

12 A. The Commission should dismiss EPE's proposal for the Partial Requirements
13 Service Rate because the proposal would improperly require residential DG
14 customers to purchase supplementary power under a different retail rate schedule
15 than other retail customers with the same power requirements. Also, the proposed
16 Partial Requirements Service Rate contains a distinct rate structure from the rate
17 structure for residential non-DG customers.

18
19 EPE seeks to establish "a new rate classification comprised of residential
20 customers who own or lease distributed generation systems operating behind their
21 retail electric meter" (Direct Testimony of James Schichtl, Page 20, Lines 15-17).
22 Under EPE's proposal, residential customers with DG systems – what EPE calls
23 "partial requirements customers" – would take service under a new rate, Rate No.

1 2 (Partial Requirements Service Rate), and residential non-DG customers would
2 continue to take service under Rate No. 1 (Residential Service Rate). When a DG
3 customer's electricity consumption exceeds the production of the customer's DG
4 system the customer purchases "supplementary power" from the utility to make
5 up the difference. "[S]upplementary power means power which is regularly used
6 by a consumer, supplied by the electric utility, in addition to that power which
7 may be supplied by a qualifying facility" (17.9.570.7(N) NMAC). Commission
8 Rule 17.9.570.12(B)(1) NMAC provides that all "[q]ualifying facilities shall be
9 entitled to supplementary power under the same retail rate schedules that would
10 be applicable to those retail customers having power requirements equal to the
11 supplementary power requirements of the qualifying facility." EPE currently
12 provides supplementary power to all QFs (and third party customers) "pursuant to
13 EPE's otherwise applicable retail schedule" (Direct Testimony of James Schichtl,
14 Page 55, Line 18). EPE's proposed Partial Requirements Service Rate violates the
15 Commission's supplementary power rule, 17.9.570.12(B) NMAC, by charging
16 residential DG customers a different, higher rate for power than the rate that
17 applies to other residential customers who purchase the same amount of power
18 from the utility.

19
20 EPE's proposal also violates Commission Rule 17.9.570.14, which applies
21 specifically to customers with DG facilities up to and including 10kw. The Rule
22 provides that customers with small qualifying facilities (QFs) "shall be billed for
23 service in accordance with the rate structure and monthly charges that the

1 customer would be assigned if the customer had not interconnected a qualifying
2 facility” (17.9.570.14(C)(1) NMAC). EPE’s proposal is impermissible because it
3 contains different rate structures and different charges for residential DG
4 customers.

5
6 In sum, I recommend the Commission decline to grant EPE’s request to establish
7 a new Partial Requirements customer class and service rate because it would
8 require QFs to purchase supplementary power from EPE under a different retail
9 rate schedule than would be applicable to other retail customers who purchase the
10 same amount of power from EPE, in violation of Rule 570.1(C)(1). Also, the
11 Partial Requirements Service Rate would bill customers at a higher rate under a
12 different rate structure than the customers would be assigned if they had not
13 interconnected a QF, in violation of Rule 570.14(C)(1).

14
15 **Q. Regarding Rate No. 29, Noticed Interruptible Service, what are your**
16 **recommendations to the Commission?**

17 A. I recommend that the changes proposed to the interruptible rate design which
18 would result in an “average increase of 12.3% for current interruptible service
19 customers” (Direct Testimony of James Schichtl, Page 65, Lines 12-13) be denied
20 by the Commission. Instead, I recommend the Commission require EPE to open
21 this rate to new customers and to actively seek to enroll customers in this rate for
22 at least 88 MW of interruptible service as soon as possible with the objective of
23 achieving 100 MW of interruptible service by 2023. If the current rate structure is

1 in-sufficient to attract new customers, the Commission should be receptive to a
2 proposal from EPE that EPE believes would be attractive to such customers.

3

4 **Q. Please explain how Rate No. 29, Noticed Interruptible Service, works.**

5 A. James Schichtl in his Direct Testimony beginning on Page 61, provides this
6 description:

7 “Rate No. 29 - Noticed Interruptible Service is available to current Customers
8 with total connected capacity requirements of at least 1,000 kilowatts (kW) and
9 not served at a transmission voltage level, and at the sole discretion of EPE. This
10 rate is currently closed to new customers. Through 2014 there were four customer
11 accounts taking service under this rate, since reduced to three. The minimum level
12 of firm demand required from qualifying Customers is 500 kW. Customers can
13 take service on a calendar year basis only, and 60 to 90 days notice of termination
14 of service is required without invoking penalty provisions. Service is available
15 under this schedule only if such service is capable of being interrupted at any time
16 upon request without damage to property or persons and without adversely
17 affecting the public health, safety, and welfare. This schedule is available only in
18 conjunction with firm service under other applicable rate schedules. The current
19 rate structure provides reduced seasonal demand and energy charges applicable to
20 the interruptible portion of the customers load. The remaining portion, the "firm
21 service" load, is billed under the otherwise applicable retail rate determined based
22 on the customers total load requirements.”

23

24 **Q. How much interruptible service is currently contracted for the three existing**
25 **customers?**

26 A. 43 MW is currently the contracted interruptible service. EPE’s David C.
27 Hawkins, in his Direct Testimony, sponsors Exhibit DCH-3, El Paso Electric
28 Company Loads & Resources 2015-2024. This Loads and Resources Table on
29 Line 4.3 shows Interruptible Sales at 43 MW throughout the period represented.

30

31 **Q. How did you arrive at the recommended amount of 88 MW increasing to 100**
32 **MW of interruptible service in 2023?**

1 A. It is based on one third of the current and forecasted Planning Reserve amount.

2

3 **Q. What is the advantage in expanding the Interruptible Sales to one third of**
4 **the Planning Reserve amount?**

5 A. The most expensive capacity in the EPE system is the capacity that is never used.

6 Since EPE plans its capacity to cover the forecasted one hour peak, the additional

7 15% Planning Reserve Capacity is the most expensive capacity of all, since it

8 should never have to be used. According to EPE, "Interruptible customers

9 effectively provide a capacity resource equal to the difference between their

10 contracted firm service level and their full load requirements. Within 30 minutes

11 of notice by EPE to interrupt, the customer is required to reduce their demand to

12 their firm service level, subject to penalties provided in the tariff" (Direct

13 Testimony of James Schichtl, Page 62, Lines 3-7). Therefore, Interruptible

14 Service customers are effectively the least expensive resource, as they cost other

15 customers nothing and there is no fuel cost for the capacity. One third of the

16 Planning Reserve amount accomplishes the purposes of the Planning Reserve yet

17 doesn't rely on Interruptible Service exclusively to achieve these purposes.

18

19 **Q. What is your recommendation to the Commission regarding EPE's proposed**
20 **Pilot Demand Response Program?**

21 A. I recommend the Commission disallow EPE's proposed Pilot Demand Response

22 Program. I further recommend the Commission approve, as part of this rate case,

23 two new rates as proposed by One Hour Air Conditioning (OH), a party in the rate

1 case. OH is calling these rates “Energy Storage, Time of Use, with Curtailment
2 (STOUC) and proposes a STOUC rate for residential customers and a STOUC
3 rate for commercial customers.
4

5 **Q. Why should the Commission not allow EPE to proceed with the Pilot
6 Demand Response Program?**

7 A. The Pilot Demand Response Program, as EPE has proposed it, is unnecessary,
8 wasteful, time consuming, and costly. “EPE proposes to contract with one or more
9 vendors to market, operate, and monitor the program. EPE will also separately
10 meter and analyze demand response by participants to measure load reductions
11 and validate data reports provided by the third-party vendors” (Direct Testimony
12 of James Schichtl, Page 68, Line 20, and Page 69, Lines 1-3).

13
14 It is completely unnecessary for EPE to contract with vendors to accomplish this.
15 In fact, it is totally against free market principles and customers’ interests for
16 vendors to be contracted with EPE. Customers should be choosing their own
17 vendor for this service and the only thing that customers need, in order to proceed,
18 is a rate structure that provides appropriate financial incentives and rewards. It is
19 wasteful and time consuming for EPE to write an RFP, choose a vendor, then
20 pilot a program with a small number of customers. EPE is simply slowing down
21 this process with its proposal and thereby ensuring that it can manage the outcome
22 to its benefit alone. This is not serving the customer base which desperately
23 needs to stop EPE’s continued investment in capacity that will be used no more

1 than a few hours per year. Finally, it is costly. EPE expects rate payers to pay for
2 this process and its intentional delaying tactics. EPE is asking the Commission for
3 “authorization to defer recovery of the RFP costs to a future rate proceeding”
4 (Direct Testimony of James Schichtl, Page 71, Lines 10-11). The Commission
5 should disallow this approach.

6
7 **Q. What should the Commission do to provide appropriate financial incentives**
8 **and rewards for customers to reduce energy demand at the peak?**

9 A. The Commission should authorize an optional rate structure for residential and
10 small commercial customers that provides strong Time of Use (TOU) price
11 signals. The Commission should also take this opportunity to authorize an
12 optional rate structure that allows residential and small commercial customers to
13 participate in noticed curtailment. The STOUC rates proposed by OH is such a
14 rate structure.

15
16 **Q. Please describe the key features of the STOUC rates proposed by OH.**

17 A. 1) The STOUC rates would be entirely voluntary.
18 2) Customers would agree to pay premium prices for energy use during the
19 defined “peak” periods and “shoulder” periods while paying low prices for energy
20 used during other times. The peak rate applies for one hour, 3:00-3:59pm,
21 weekdays only, during June-August only. That peak rate would be \$0.40/kwh.
22 The shoulder rate would apply to two hours, the hours of 1:30-2:59pm and
23 4:00-4:29pm, weekdays only, during June-August only. That shoulder rate would

1 be \$0.18/kwh. All other usage would be billed at the rate of \$0.0325/kwh.

2 3) Customers would agree to noticed curtailment when the EPE system native
3 demand exceeds 90% of peak

4 4) An Energy Control Vendor (ECV) would be required to implement
5 curtailments. ECVs would contract with customers to provide this service, and
6 multiple ECVs may be attracted to the area.

7
8 **Q. Why are the proposed Energy Storage, Time of Use, with Curtailment**
9 **(STOUC) rates advantageous to EPE's customers?**

10 A. There are two reasons these rates would be advantageous to EPE customers. The
11 first advantage is related to the curtailment provision. The provision allows these
12 classes to be curtailed in response to a call for peak reduction. Curtailment
13 contracts are counted for EPE's official reserve requirement. When the reserve
14 requirement is satisfied through curtailment rather than expensive new generation
15 capacity, costs are minimized without jeopardizing system reliability. Customers
16 will choose to participate in this curtailment freely when the rate structure
17 provides appropriate financial incentives and rewards.

18
19 The second reason is that customers will move their energy consumption away
20 from peak periods voluntarily when the rate structure provides appropriate
21 financial incentives and rewards. Less demand at peak periods benefits every
22 customer by avoiding expensive investment in additional capacity. EPE's System
23 Load Factor has dropped from approximately 65% in 2000 to approximately 53%

1 in 2014. This trend can be reversed to benefit all customers. The result of
2 offering a rate structure that rewards shifting demand to off peak times will be
3 system load factor going up, the need for new generation/transmission/distribution
4 going down, and the rates for all categories of customers will be lower.

5
6 **Q. Does EPE's proposed Pilot Demand Response Program provide the same**
7 **advantages?**

8 A. No it does not.

9
10 **Q. Should the Commission approve the STOUC rates as proposed by OH as**
11 **part of this rate case or wait years for results from a pilot program as**
12 **proposed by EPE?**

13 A. The Commission should approve the STOUC rates as soon as possible. The only
14 thing needed in order to begin achieving the desired reduction in the peak and the
15 reduction in needed new capacity is a well-designed rate that provides appropriate
16 financial incentives and rewards. OH has proposed such a rate. It requires no RFP
17 on the part of EPE, no lengthy process to develop such an RFP, no costs to rate
18 payers for the RFP process, and no lengthy and multiple burdens on the
19 Commission to oversee the process and the approvals. The STOUC proposal as
20 put forward by OH would allow any vender of curtailment services to compete for
21 customers; it would allow customers to retain the choice of whether or not to
22 participate; and it would eliminate the lengthy and costly process required for an
23 RFP and a pilot program. A pilot program is simply not required. The STOUC

1 proposal will either attract customers and have a positive impact on system load
2 factor and required capacity, or it won't. The market will make it clear. There is
3 absolutely no reason not to proceed with the STOUC proposal immediately and
4 there is a very real potential to reduce the peak demand as early as the summer of
5 2016.

6
7 **Q. Please summarize your testimony.**

8 **A.** I recommend the Commission decline to include MPS Unit 2 in the rate base and
9 decline to adjust the Base Period O&M costs for O&M related to MPS Unit 2.

10
11 I recommend the Commission decline to approve a separate "Partial
12 Requirements" rate class for residential distributed generation (DG) customers.

13
14 I recommend that the changes proposed to the interruptible rate design which
15 would result in an average increase of 12.3% for current interruptible service
16 customers be denied by the Commission. Instead, I recommend the Commission
17 require EPE to open this rate to new customers and to actively seek to enroll
18 customers in this rate for at least 88 MW of interruptible service as soon as
19 possible with the objective of achieving 100 MW of interruptible service by 2023.

20
21 I recommend the Commission disallow EPE's proposed Pilot Demand Response
22 Program. I further recommend the Commission approve, as part of this rate case,
23 an "Energy Storage, Time of Use, with Curtailment" (STOUC) rate for residential

1 customers and a STOUC rate for commercial customers.

2

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

4 **A. Yes it does.**

Respectfully submitted this 29th day of September, 2015.



Merrie Lee Soules
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BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF EL PASO ELECTRIC COMPANY FOR)
REVISION OF ITS RETAIL ELECTRIC)
RATES PURSUANT TO ADVICE NOTICE)
NO. 236)

Case No. 15-00127-UT

EL PASO ELECTRIC COMPANY,)
)
Applicant.)
)

AFFIDAVIT OF MERRIE LEE SOULES

STATE OF NEW MEXICO)
)ss.
COUNTY OF DONA ANA)

I, Merrie Lee Soules, do hereby swear, depose and state as follows:

I have read the foregoing prepared Direct Testimony and it is true and correct to the best of my knowledge, information and belief.

Signed this 29th day of September, 2015.



Merrie Lee Soules

Subscribed and sworn to before me this 29th day of September, 2015



My Commission Expires:

July 10, 2018



OFFICIAL SEAL
KENNETH PARTIN JR.
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: July 10, 2018

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF EL PASO ELECTRIC COMPANY FOR)
REVISION OF ITS RETAIL ELECTRIC)
RATES PURSUANT TO ADVICE NOTICE)
NO. 236)
EL PASO ELECTRIC COMPANY,)
Applicant.)
_____)

2015 SEP 30 PM 1 55

Case No. 15-00127-UT

CERETIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Direct Testimony of Merrie Lee Soules, Resident of Las Cruces, New Mexico, was sent to the following as indicated below:

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